



Board of Directors' Meeting
April 25, 2024 9:00 AM
Tampa, FL

Florida Insurance Guaranty Association

Annual Meeting of the Board of Directors

Thursday, April 25, 2024 at 9:00 AM



1. CALL TO ORDER, OPENING REMARKS & ANTI-TRUST PREAMBLE

2. APPROVAL OF MINUTES

- Draft of Minutes - May 31, 2023 (Action)
- Draft of Minutes - August 28, 2023 (Action)

3. RECEIVER'S REPORT (Verbal)

4. LEGAL REPORT (Verbal)

- Legislative and Regulatory Report

5. FINANCE & AUDIT COMMITTEE

- Chairman's Report
 - Minutes - May 30, 2023 & December 7, 2023
 - Investment Report - February 29, 2024
 - Investment Policy Review (Action)
 - Audit Report
 - FIGA (Action)
 - AGFG (Action)
 - Charter / Checklist Review
 - Charter (Action)
 - Checklist

6. CLAIMS REPORT

- Claims Report February 29, 2024
- Claims Activity Summary February 29, 2024

Florida Insurance Guaranty Association

Annual Meeting of the Board of Directors

Thursday, April 25, 2024 at 9:00 AM



- Claims Insolvency Update
- TPA and Field Adjuster Agreement

7. FINANCIAL REPORT

- FIGA Financial Statements February 29, 2024
- Cash Balance Forecast
- AGFG Financial Statements February 29, 2024

8. OPERATIONS REPORT

- Plan of Operation Review (Action)
- Consumer Service Plan
- 2022 / 2024 Organizational Goals
- Annual Review of Contracts and Vendors
- Business Insurance Review
- Conflict of Interest Policy
- 2023 Annual Report

9. BOARD OFFICER ELECTIONS (Action)

10. OTHER BUSINESS, CLOSING REMARKS & ADJOURNMENT

**CALL TO ORDER, OPENING REMARKS & ANTI-TRUST
PREAMBLE**

Florida Insurance Guaranty Association

April 25, 2024

ANTI-TRUST POLICY STATEMENT

It is the established policy of Florida Insurance Guaranty Association (FIGA) to comply fully with all laws and regulations applicable to its operations. While the creation and operation of a guaranty fund is beneficial to consumers and does not raise concerns under federal or state antitrust laws, because the activities and functions of FIGA bring together representatives of insurance companies that may be in competition, it is the policy of FIGA, in the course of its activities and functions, to discourage and prohibit disclosure of competitive information that might be, under certain circumstances and along with other conduct, alleged to be violative of federal or state antitrust laws. Because the burdens of defending even a frivolous antitrust suit are considerable, it is important to administer and operate FIGA in a manner so as to avoid even the appearance of facilitating anticompetitive conduct.

APPROVAL OF MINUTES

- Draft of Minutes - May 31, 2023 (Action)
- Draft of Minutes - August 28, 2023 (Action)

FLORIDA INSURANCE GUARANTY ASSOCIATION
BOARD MEETING MINUTES
MAY 31, 2023

1. **CALL TO ORDER**

The Board of Directors of the Florida Insurance Guaranty Association (“FIGA”) held a Board teleconference/virtual meeting via Microsoft Teams on May 31, 2023, commencing at 2:00 p.m.

Chairperson Kimberly Blackburn called the meeting to order and announced a quorum present, to wit:

Kimberly Blackburn	Florida Farm Bureau Casualty Insurance
Paula Lutes	State Farm Insurance Co.
Ray Waugh	Nationwide Insurance Company
Pamela Matthews	United Services Automobile Association
Rene Hernandez	Travelers
Carly Hermanson	Allstate Insurance Co.
Brett Brummer	Florida Family
Charles Lydecker	Citizens

Also attending the Board Meeting:

Corey Neal	Executive Director
Holly Newell	Chief Operating Officer
Bill Hughes	Vice President of Claims
Liz Frisbie	Controller
Susan Ferguson	FIGA Executive Assistant
Charlie Greene	FIGA
Jennifer Spooner	FIGA
Lenox Godfrey	FIGA Claims Director
Veronica Degraff	AGFG Human Resources Manager
Tim Meenan	FIGA General Counsel
Kirsten Matthis	Meenan, P.A.
Susanne Murphy	Meenan P.A.
Rachel Rexford	Office of the Florida C.F.O.
William Ferguson	Thomas, Howell, Ferguson
Kapil Bhatia	Raymond James
Sasha Stipanovich	Raymond James
Ben Watkins	SBA FL

Registered Attendees

Mark Weinberg	Citibank
James Bengton	AIF- Armed Forces Insurance
Katrina Callaway	Florida Insurance Council

Robert Liggett
Diane O'Connor
John Generalli
Linda Howell
Charlie Yadon

Florida Family Insurance Company
Florida Family Insurance Company
Wells Fargo Securities

2. ANTITRUST POLICY

Tim Meenan discussed FIGA's antitrust guidelines and requested that Board Members review and adhere to the Policy.

3. APPROVAL OF MINUTES

The Board reviewed three sets of minutes from the November 30, 2022, February 28, 2023 and March 31, 2023 meetings, and Ms. Matthew moved to approve all three sets as drafted, which was seconded by Mr. Brummer, and the Motion passed unanimously.

4. RECEIVER'S REPORT

Mr. Neal advised the Board that the Receiver's office was unable to send an attendee to the meeting, but that Mr. Neal spoke with Ms. Arterburn about the current status of Receiverships in advance of the meeting. Mr. Neal conveyed that Ms. Arterburn stated the Receiver was working to get FIGA more early access funds for both older insolvencies, and for the UPCIC receivership, and that there were no new insolvencies since the last Board meeting.

4. LEGAL REPORT

Tim Meenan provided the Board with a legal and legislative update. Mr. Meenan advised that the Legislative session ended for 2023 in the first week of May, and that it would have an early start for committee weeks for 2024 session in September of 2023. Mr. Meenan discussed the House Bill 487 changes to the insolvency statute, including adding language to allow the Receiver to use the property of the estate to transfer an insolvent carrier's book of business to potential assuming insurers. He discussed that the statute clarified the language of the Receiver's statute so that there was no doubt on the legality when proposals were brought to the Receivership Court. Mr. Meenan discussed the language that allows the Receiver to extend coverage under an insolvent carrier's policy by an additional 15 days, due to issues brought by the Florida Association of Independent Agents, who reported difficulty getting customers transferred to new carriers within the 30 days previously allowed by statute. Mr. Meenan advised the Board that the special session in December had allowed the Receiver the ability to extend coverage, but did not extend FIGA coverage by the extension time. He advised that House Bill 487 clarifies that FIGA coverage extends for any extension of coverage.

Mr. Meenan discussed with the Board the other legislative change to allow DFS to appoint persons to the FIGA Board with property and casualty insurance experience, without requiring that they be employed by insurers or be elected by insurers. The legislation also provided for appointment of three domestic insurers. Mr. Meenan advised that the CFO did not have any plan

currently to change the Board makeup, but that DFS wanted more flexibility for who could be appointed. Mr. Meenan discussed the change to allow the CFO to remove a FIGA Board member for malfeasance, and the new requirements for financial disclosures and reporting of financial interests by Board members. Mr. Meenan discussed that he and Mr. Neal would prepare a webinar training to educate the Board members on the new requirements for financial reporting, etc. Mr. Meenan discussed that the new legislation prohibiting Board members from accepting gifts or voting on anything that was to the Board members' gain/loss was consistent with current FIGA Board policies. He also discussed the new legislative requirement for 7 days' notice for Board meetings, which the Board already does.

Mr. Meenan discussed the tort reform passed during special session, including the change to no longer allow one-way attorneys' fees across all lines of insurance. Mr. Meenan discussed the anticipation that the changes will increase the use of proposals for settlement, which would allow FIGA to also recover attorneys' fees, if it used proposals for settlement as well. Mr. Meenan discussed the Insurer Accountability Act, which adopted most of the provisions of the NAIC Hazardous Insurers Act, with some additional Florida-specific requirements. He discussed that the bill prohibits distributions to shareholders, etc. for troubled insurers, and gives the DFS and OIR substantial new powers to identify insurers in violation. Mr. Meenan advised the Board that the legislation required quarterly reporting from the Commissioner to the Legislature on what actions the OIR had taken each quarter against insurers.

5. FINANCE & AUDIT COMMITTEE REPORT

Ms. Matthews delivered the report from the Finance & Audit Committee, advising the Board that the Committee met the day prior. Ms. Matthews requested that Mr. Neal provide an update on the financing, and Mr. Neal advised the Board that the interim financing of \$150 million had been completed to increase claim paying capacity. Mr. Neal advised that staff were working with Kapil Bhatia at Raymond James and Duane Draper at Bryant Miller & Olive, and Ben Watkins at the Division of Bond Finance to develop a structure for the future to go to the market for permanent financing to get liquidity for paying claims while minimizing financing costs. Mr. Neal updated the Board that FIGA was going to the rating agencies to continue the rating process with Moody's and S&P and Fitch, and that once the rating was established, go to the market. Mr. Neal advised that they were hoping to close the permanent financing by the end of June.

Mr. Watkins addressed the Board and advised that in using a variable rate structure, they were able to secure liquidity support up to \$500 million. He advised that the 1% assessment was expected to generate approximately \$289 million a year. Mr. Watkins discussed that the financing was ~~pre-payable~~available at any time, and that FIGA could use the process prospectively on an ongoing basis.

Mr. Meenan expressed FIGA's gratitude for Mr. Watkins' participation, with his experience of multiple decades in the bonding and public financing space. Mr. Bhatia advised the Board that if there were no additional insolvencies, it was anticipated the bonds would mature in 3.5-4 years. Mr. Neal expressed appreciation to all involved in the process.

Ms. Matthews discussed that the Committee reviewed and approved the minutes from prior Committee meetings, and reviewed the investment report with an update from Liz Frisbie on the status of the portfolio. Ms. Matthews advised that the Committee was told with the inverted yield curve, FIGA was getting the benefit of short term yields being up, but that the inflation picture was still unfavorable, and there was a question of whether there would be a mild recession or just a slow down. Ms. Matthews discussed that the investment policy had no recommended changes from management, but that there may be changes to be evaluated again once the market stabilized.

Ms. Matthews discussed the audit report from Allison Harrell, including substantive changes to how the financials were presented due to the new debt from the financing. She discussed that the Thomas Howell Ferguson team were working with FIGA to properly reflect the bonds on the audits for the following year.

Kimberly Blackburn made a motion to accept the audit reports, which was seconded by Carly Hermanson, and passed unanimously.

Ms. Matthews discussed the charter review the Committee performed. She advised that the only thing that needed to be addressed by the full Board was the fees to the auditors. She discussed the request for an increase in the fees, due to inflation and the increased work and complexity for the audit process from the financing. She discussed the request from Thomas Howell Ferguson for an increase of \$6,000.00 and an increase of \$500.00 for the agreed upon procedures, and that the Committee agreed that the increase was reasonable.

Ms. Matthews moved to approve the increased fees, which was seconded by Mr. Waugh, and passed by the full Board unanimously.

Mr. Ferguson of Thomas Howell Ferguson advised that they were working with FIGA staff on how to book the assessments based on FIGA's statements using a modified cash basis accounting system. He expressed appreciation for working with FIGA, and that Thomas Howell Ferguson looked forward to continuing to work with FIGA.

Mr. Neal advised the Board that there were currently two members on the Finance & Audit Committee, leaving a vacant seat. Mr. Neal advised that he had spoken with Brett Brummer, who had agreed to fill that vacant spot. Ms. Blackburn approved the appointment of Mr. Brummer to the vacant Committee position.

6. CLAIMS REPORT

Mr. Hughes delivered the claims report, advising that there were currently 26 open estates, with 22,976 open claims. He discussed the attempts to resolve the older estates, and that after all AmCap claims are closed, it will be primarily personal lines homeowners' claims remaining. He discussed the 15,690 open UPCIC claims, and that UPCIC currently represents 68% of all open claims. He advised that the FIGA staff were seeing increased closing of claims.

Mr. Hughes addressed the specific numbers of open and closed claims in each of the large open estates, and the types of claims in each. He also discussed that FIGA performs an annual

review of the TPA and Field Adjusting Contracts, and that the contracts allow FIGA to scale up for any future need for new insolvencies, with FIGA staff feeling that they were well prepared from a TPA standpoint.

Mr. Neal provided an update that there was an emergency procurement to get CaseGlide implemented on May 1, and that a full procurement process was anticipated to begin so that FIGA would have a permanent system at the end of the 90 day emergency procurement.

7. FINANCIAL REPORT

Liz Frisbie provided the financial report update to the Board. She advised that FIGA had total assets of \$861.6 million as of the end of April, which was up \$228.5 million from year end. Ms. Frisbie advised there were total receipts of \$294.9 million through the end of April, including \$252 million from assessment revenue, and \$40.5 million from early access distributions. Ms. Frisbie discussed that the administrative expenses were up \$591,000 above the prior year, but that the Budget was overall under budget by \$135,000 for the year. Mr. Neal discussed the need to onboard 300 adjusters, which increased user licenses, which was an additional cost to the UPCIC estate to be reimbursed by the Receiver.

Ms. Newell discussed that the focus was on maintaining liquidity and ramping up claim payments to pay and close claims. She advised that FIGA continues to set reserves for all of the UPCIC claims. She advised that it was anticipated there would be an additional meeting in the third quarter to address the continuation of the assessment which was scheduled to expire.

Mr. Neal advised that FIGA was still waiting on early access for UPCIC, and that FIGA would make a determination on whether it needed to continue the assessment or not, based on the amount received in early access. Ms. Newell advised the Board that FIGA had collected more than anticipated from the 2021 assessment, and that the 2022A assessment was set to expire June 30, with the emergency assessment set to go into effect on October 1, 2023. Ms. Newell discussed that the emergency assessment would be continued until the bonds were paid off.

Ms. Blackburn inquired if there would be a workshop for member companies prior to the implementation of the emergency assessment, and Mr. Neal responded that there was a plan to do another workshop, but that it was still being scheduled.

8. OPERATIONS REPORT

Ms. Newell discussed that the current Plan of Operations for FIGA was last amended in 2018. She discussed that staff were reviewing the policy with Mr. Meenan to determine if any changes were necessary, but that there were no recommended changes at this time.

Ms. Newell discussed the annual review of contracts and vendors, to ensure all contracts were in compliance with FIGA's policies. Ms. Newell discussed that the TPA vendors were a category 3 but there is no independent solicitation because of an exemption. She discussed the anticipated Request for Proposals for security risk assessment services, and one for litigation management services as well.

Ms. Newell discussed the annual requirement to review insurance coverages. She also addressed the annual review of the ethics and conflict of interest policy, and reminded Board members that they are required to review the list of vendors annually to ensure no conflicts. Ms. Newell requested that the Board members review the policy and sign it and return it to Susan Ferguson.

9. CLOSED SESSION

The Board went into the previously publicly noticed Closed Session to discuss resolution of a litigated case.

7. OTHER BUSINESS, CLOSING REMARKS

Following the Closed Session, the meeting reconvened. Ms. Blackburn inquired of Mr. Neal when the next meeting would be scheduled. There being no further business, a motion to adjourn the meeting was made by Pamela Matthews, seconded by Carly Hermanson, and the meeting adjourned at 4:14 p.m.

FLORIDA INSURANCE GUARANTY ASSOCIATION
BOARD MEETING MINUTES
AUGUST 28, 2023

1. CALL TO ORDER

The Board of Directors of the Florida Insurance Guaranty Association (“FIGA”) held a Board teleconference/virtual meeting via Microsoft Teams on August 28, 2023, commencing at 1:00 p.m.

Chairperson Kimberly Blackburn called the meeting to order and announced a quorum present, to wit:

Kimberly Blackburn	Florida Farm Bureau Casualty Insurance
Carly Hermanson	Allstate Insurance Co.
Rene Hernandez	Travelers
Paula Lutes	State Farm Insurance Co.
Pamela Matthews	United Services Automobile Association
Ray Waugh	Nationwide Insurance Company
Brett Brummer	Florida Family
Charles Lydecker	Citizens

Also attending the Board Meeting:

Corey Neal	Executive Director
Bill Hughes	Vice President of Claims
Liz Frisbie	Controller
Susan Ferguson	FIGA Executive Assistant
Jennifer Spooner	FIGA
Lenox Godfrey	FIGA Claims Director
Tim Meenan	FIGA General Counsel
Kirsten Matthis	Meenan, P.A.
Sasha Stipanovich	Raymond James
Duane Draper	Bryant Miller Olive
Ben Watkins	SBA FL
Rachel Rexford	Office of the Florida C.F.O.
William Ferguson	Thomas, Howell, Ferguson
Mark Weinberg	Citibank
James Bengton	AIF – Armed Forces Insurance
Diane O’Connor	Florida Family Insurance Company
John Generalli	Wells Fargo Securities
Katrina Callaway	Florida Insurance Council
Robert Liggett	Florida Family Insurance Company
Charlie Yadon	
Linda Howell	

2. ANTITRUST POLICY

Tim Meenan discussed FIGA's antitrust guidelines and requested that Board Members review and adhere to the Policy.

3. CLAIMS REPORT

Bill Hughes delivered the claims report, advising that there were currently 16,629 open claims, and that FIGA staff's goal was to reduce the open claims to 9,000 or fewer by the end of the year. Mr. Hughes discussed the extension of the stay in the UPCIC estate, and discussed that the claims team were utilizing the stay to resolve claims as quickly as possible. He discussed that FIGA had received 16,000 open claims at the time of UPCIC's liquidation, which had increased to over 21,000 claims as of the end of August, representing an increase of over 5,000 claims since the liquidation. Mr. Hughes discussed that the claims staff had closed almost 10,000 claims, leaving approximately 11,000 still open, and he praised the adjusters and managers for doing a good job resolving the claims.

Mr. Hughes discussed that in the last three estates, FIGA had closed 75% of the claims within the first year of the liquidation. He reported on the 77% closure rate in the Southern Fidelity estate, and anticipated that the vast majority of claims in that estate would be resolved by the first quarter of 2024.

Charlie Lydecker inquired whether the claims team was seeing a positive impact from the new legislation yet. Mr. Hughes responded that FIGA was receiving a lot of reopen requests, and that so far FIGA was not seeing a lot of new litigation in the UPCIC estate. He advised that they were seeing an increase in litigation in the other estates, but that they were trying to control that issue by resolving and settling claims early. Corey Neal also advised that the claims team were monitoring claims that come in to FIGA, and how old the claim is relative to when it was received. He indicated that there was a small spike in claim frequency from what they were expecting.

Mr. Hughes discussed the open estates, including FedNat, which he advised had 603 of the 1,193 claims as construction defect claims that take longer to resolve than other types of claims. In the Avatar estate, he advised that the remaining claims were the more difficult claims, and that in St. Johns, the majority of claims remaining are roof disputes from Hurricane Irma, and that FIGA was being impacted by reopen requests. Mr. Lydecker inquired if there was an issue with fraudulent activity, and Mr. Hughes indicated that the claims team was seeing pricing and material and labor increases that impacted the claims not already repaired, leading to the reopen requests. Mr. Neal discussed that in the Weston estate, the company wrote commercial residential, and that there was one open claim that accounted for the bulk of the reserve amount because it was a large residential condo hurricane claim.

Mr. Hughes discussed that the remaining Florida Specialty claims were brought in-house in July, and reduced the open claims from 65 to 51, with an expectation to have the rest resolved by year end. He discussed the AmCap estate, which involved multi-million dollar losses, and that FIGA was addressing the remaining 38 open claims. He advised the Board that in the Sawgrass

estate, which had been handled in-house, FIGA started with 67 claims in January and had reduced the number of claims to 11.

Mr. Lydecker inquired about the estates with small numbers of open claims. Mr. Hughes indicated that those estates had sinkhole claims, or subrogation claims that were still open, or PIP claims where the dispute was over attorney's fees.

Mr. Hughes advised the Board that FIGA began the year with 10,685 open claims, that it received 23,517 additional claims, reopened another 5,204 claims, and that as of the Board meeting there were 18,623 claims still open. He discussed the efforts to ramp up claim closures, and Mr. Neal also advised that the claims payments reflected that—in July payments of over \$60 million had gone out, and in August FIGA was on track to pay \$70 million in claim payments.

Mr. Lydecker inquired if there were other guaranty funds to compare FIGA to, and Mr. Hughes responded that Florida is one of the largest guaranty funds with the largest number of claims, and that other guaranty funds were much smaller. Mr. Lydecker noted that the number of storms was increasing, and inquired if FIGA had enough personnel to address additional claims. Mr. Hughes responded that FIGA had added 8 TPAs to the UPCIC estate, and that FIGA was reviewing productivity and moving work to TPAs that were more productive. Mr. Lydecker inquired if the Board could get a report card on the claims and benchmark so the TPAs could compete against each other. Mr. Neal responded that FIGA was working closely with the CFO's office to review resource constraints, and that the biggest challenge was cash and adjusters to handle claims.

Pamela Matthews recalled that a lot of planning had been done since 2019 to increase the capacity without hiring a lot of FIGA employees who would ultimately not have enough work after the claims in the most recent estates were resolved, and that FIGA had brought on additional TPA capacity. Mr. Hughes responded that FIGA had moved from half a dozen to approving 33 firms to provide TPA services, and that FIGA was currently using 12 of those firms. Ms. Matthews stated that FIGA had significantly increased its TPA relationships, and that there had been a significant amount of thoughtful planning by FIGA of the needs.

Ms. Blackburn stated that the Board had discussed previously the issue of giving the TPAs enough claims to make sure they focused on FIGA's work—if not given sufficient work, Ms. Blackburn indicated that FIGA's claims would not receive the necessary focus.

Brett Brummer thanked the claims team for doing a great job and stated that it was clear they were prioritizing what needed to be prioritized. He inquired if there was a breakdown on what type of claims the new claims were. Mr. Hughes responded that a large majority (over 90%) were hurricane claims, and Mr. Neal responded that a majority from the UPCIC estate were Hurricane Ian claims. Mr. Brummer inquired if there were any issues with supply chains, and Mr. Hughes responded that there were shortages for materials for performing roofing repairs, and that there is always a delay for labor after hurricanes.

Mr. Lydecker inquired whether consumers are aware of the process to file a complaint regarding their claim with FIGA. Mr. Neal responded that complaints are filed with the DFS, which

forwards them to FIGA, and other consumers call FIGA directly. No formal complaint process is in place. Mr. Lydecker inquired if there is a consumer hotline process in place and requested that FIGA staff come back with a plan for proactive consumer protections. He requested that the staff come back with a plan for interfacing with consumers, and a phone number for consumers to call if they are having issues with their claims.

Ms. Blackburn recommended that if a call center is created for an insured to vent frustrations, that Mr. Neal and Mr. Hughes would not be able to participate in every call. She suggested that the call information go to an internal group for review and that the consumer's issue be elevated if necessary.

Mr. Lydecker made a motion for management to come back with a detailed plan on how to handle consumer complaints, which was seconded by Ms. Matthews. Mr. Brummer inquired if the Board was addressing a problem that is a current problem, and Mr. Lydecker responded that it was to address a potential for a problem, not a current problem. Ms. Matthews stated that FIGA needed to make sure it did not create complaints where there aren't currently any, and stated that a call center is not a free proposition, and inquired if FIGA would need more funding to staff a call center. Mr. Brummer pointed out that there is already a mechanism in place for consumers to make complaints with the CFO, and inquired if there had been an increase in complaints about FIGA. Mr. Neal advised that FIGA does not track complaints like an insurance carrier does, and that if a complaint came in from an elected official, it would go to Mr. Neal, Mr. Hughes or Lenox Godfrey, who would follow the issue until it was resolved. Mr. Neal indicated there were not a lot of these complaints, but anticipated receiving more due to the high claim count from UPCIC. He indicated that FIGA staff's focus was on resolving claims. The Board voted on the motion for management to come back with a consumer complaint plan, which was approved unanimously.

4. ASSESSMENT DISCUSSION

Mr. Neal advised the Board that staff were looking at FIGA's funding needs on a constant basis. He advised that there was an assessment set to expire at the end of 2023, which was a .7% regular assessment. He reminded the Board that 90 days' notice has to be given to members before an assessment can go into effect. Mr. Neal discussed the adverse development of \$169.2 million, and discussed the increase in severity and frequency of claims. Mr. Neal advised the Board that FIGA could extend the current assessment, or defer that decision until after the storm season. He advised that FIGA currently had \$494 million to pay claims, and that the number was anticipated to go down to \$215 million by the end of the year.

Mr. Neal advised that staff recommended reconvening on the issue of continuing the assessment in the fourth quarter. Mr. Lydecker agreed that the Board may be getting together earlier in the fourth quarter depending what occurred during the storm season. Ms. Matthews stated that FIGA is charged with acting based on what is known, not on a prediction of what may come. Ms. Blackburn reminded the Board that if FIGA had to look at options after hurricane season, an immediate assessment would cause issues in the industry.

Mr. Neal stated that FIGA staff would notify members that the .7% assessment would expire, and the Board could reconvene in the 4th quarter to review funding. Mr. Lydecker inquired

whether staff should tell carriers now that there may be an assessment, if a last minute assessment creates an undue burden on the carriers. Mr. Meenan advised that in the recent past, the CFO and the OIR suggested to FIGA to not do an immediate assessment, and advised the Board that it would likely need to assess in enough time to allow a pass-through, or default to another borrowing situation. Mr. Neal acknowledged that he would notify members and try to get the message out that there may be an additional assessment, and that he would also communicate with the industry at conferences that were already scheduled. Mr. Meenan advised that he would continue engaging with industry trades which most member insurers were associated with.

7. OTHER BUSINESS, CLOSING REMARKS

Mr. Neal provided the Board an update on the emergency procurement for the CaseGlide software, and advised that anticipated needing to use the emergency procurement longer than the 90 days.

Mr. Meenan reminded the Board that House Bill 487 was enacted during the prior legislative session, and that it required new financial disclosures from Board members. He advised that he is communicating with the head of the Florida Ethics Commission to determine if the new requirement applies to the current year, but anticipated it would be prospective.

There being no further business, a motion to adjourn the meeting was made by Mr. Brummer, seconded by Ms. Matthews, and the meeting adjourned at 2:08 p.m.

FLORIDA INSURANCE GUARANTY ASSOCIATION
BOARD MEETING MINUTES
DECEMBER 11, 2023

1. **CALL TO ORDER**

The Board of Directors of the Florida Insurance Guaranty Association (“FIGA”) held a Board teleconference/virtual meeting via Microsoft Teams on December 11, 2023, commencing at 9:00 a.m.

Chairperson Kimberly Blackburn called the meeting to order and announced a quorum present, to wit:

Kimberly Blackburn	Florida Farm Bureau Casualty Insurance
Rene Hernandez	Travelers
Carly Hermanson	Allstate Insurance Co.
Pamela Matthews	United Services Automobile Association
Paula Lutes	State Farm Insurance Co.
Ray Waugh	Nationwide Insurance Company
Charles Lydecker	Citizens

Also attending the Board Meeting:

Corey Neal	Executive Director
Bill Hughes	Director of Claims
Liz Frisbie	Controller
Susan Ferguson	FIGA Executive Assistant
Veronica DeGraff	HR Director
Lenox Godfrey	FIGA Claims Director
Tim Meenan	FIGA General Counsel
Kirsten Matthis	Meenan, P.A.
Lisa Truckenbrod	Meenan, P.A.
Susanne Murphy	Meenan, P.A.
Kapil Bhatia	Raymond James
Sasha Stipanovich	Raymond James
Allison Harrell	Thomas Howell Ferguson
Duane Draper	Bryant Miller Olive
Lori Arterburn	Florida DFS
Scott Matiyow	PIFF
Harvey Bennett	
Charlie Yadon	Florida Division of Bond Finance
Donna Biggins	Florida Division of Bond Finance
Jason Bilodeau	Insight Investment
Katrina Callaway	Florida Insurance Council
Michael Dobson	Office of the Florida C.F.O.
Tanya Cooper	Office of the Florida C.F.O.

Luke Harrison	Office of the Florida C.F.O.
William Ferguson	Thomas, Howell, Ferguson
Diane O'Connor	Florida Family Insurance Company
John Generalli	Wells Fargo Securities
Timothy Butler	Florida Hurricane Catastrophe Fund
Toma Wilkerson	Florida Hurricane Catastrophe Fund
Linda Hallowell	Wells Fargo
Jane Nelson	Florida OIR
Virginia Christy	Florida OIR
Christina Huff	Florida OIR
Michael Billmeier	Colodny Fass

2. ANTITRUST POLICY

Tim Meenan discussed FIGA's antitrust guidelines and requested that Board Members review and adhere to the Policy.

3. APPROVAL OF MINUTES

The Board took no action on this agenda item, and agreed to review and approve the minutes from the May 31, 2023 meeting after they received them and had an opportunity to review them prior to the next Board meeting.

3. RECEIVER'S REPORT

Lori Arterburn delivered the Receiver's report to the Board. She advised that there were no new receiverships since the prior Board meeting, and that the Receiver continues to administer ten FIGA-triggering receiverships, with the most recent being the UPCIC estate. She advised that all of the UPCIC flood policies had been converted to Wright National Flood, and that the claims filing deadline for UPCIC claims was February 27, 2024. Ms. Arterburn advised that the Proof of Claim forms were mailed in June for UPCIC claims.

Ms. Arterburn advised that the reinsurance collections for the FedNat estate had begun, and that the FedNat estate had a claims filing deadline that had expired in September. Ms. Arterburn advised the Board that the Weston claim filing deadline had also expired. Ms. Arterburn advised the Receiver anticipated \$14 million in reinsurance collections on the Southern Fidelity estate, and anticipated \$46.2 million additional early access funding to FIGA from the AmCap, Gulfstream, Southern Fidelity and FedNat estates.

4. LEGISLATIVE AND REGULATORY REPORT

Mr. Meenan delivered the Legislative and Regulatory report and discussed that the Florida legislature was already in committee for the upcoming legislative session. Mr. Meenan reminded the Board that the session was occurring early in 2024, beginning in the second week of January, and ending in early March. Mr. Meenan advised that with respect to any anticipated further tort reforms, that the House and Senate insurance committees wanted to give the reforms passed in

2023 a chance to take effect, and that there were no additional major changes anticipated for the 2024 session.

Mr. Meenan advised that the Governor had released a proposed budget, and that it was the Legislature's responsibility to approve the budget. He advised that the budget proposed two items to soften the anticipated rate increases in Florida, which would provide a \$400 million benefit together. The first proposal is a one year moratorium for insurers to pay premium tax to the state, which would be passed through to the consumers as a temporary credit. The second proposed item would give insurers a credit for the 1% assessment collected for FIGA's assessment, which credit would begin on July 1, 2024 and end on June 30, 2025.

5. FINANCE AND AUDIT COMMITTEE

Pamela Matthews delivered the report from the Finance and Audit Committee, and advised on the activities from the December 7, 2023 meeting. She advised that the Committee received reports from the two investment advisors, Insight and RBC Global. She told the Board that the Committee was going to re-evaluate the investment positions in the middle of 2024 based on the cash flow needs of FIGA at that time, to determine whether it made sense to shift some portions of the portfolios to longer-term investments.

Mr. Neal provided an update to the Board on the outstanding loans, and advised that the Bank of America loan had been paid off, so the remaining cash would be moved from the restricted trust account to the regular unrestricted operating account. Mr. Neal advised that the Wells Fargo loan had just gotten an additional \$25 million payment at the beginning of December, and that the last payment was going to be made in March for \$15 million, to pay off that loan. Mr. Neal also advised that the bond proceeds are in a restricted trust account, and that as claims were paid, funds were released from the restricted trust account.

Ms. Matthews updated the Board on the new items that Thomas Howell Ferguson was going to report on, and discussed the fee increases the Committee approved regarding the additional scope.

Mr. Lydecker inquired whether there was sufficient accounting support, in light of the open positions AGFG needed to fill, including a Chief Operating Officer, Senior Accountant and an additional accountant position. Mr. Neal advised that FIGA has sufficient resources, including contractor accountants, and that Liz Frisbie was receiving additional support. Mr. Neal advised that there was a search in progress to fill the open Chief Operating Officer position, with an anticipation to fill the open positions by the end of the first quarter. Mr. Lydecker inquired whether Ms. Frisbie's position was an AGFG position or a FIGA position, and Ms. Frisbie responded that she does work for both FIGA and FWCIGA. Mr. Neal advised the Board that the current staffing chart does not identify the contractor accountants.

6. CLAIMS REPORT

Bill Hughes delivered the Claims Report, and advised that there were currently 10,908 claims pending, down from over 18,000 claims in July. Mr. Hughes advised that FIGA had closed

over 18,000 UPCIC claims in ten months, and that FIGA was looking to have 90% or greater of the UPCIC claims closed by the one year mark from the date of the insolvency. Mr. Hughes advised the plan to bring claims in-house after FIGA is named in the lawsuits, and have FIGA employed adjusters handle those claims. He advised that FIGA planned to reduce the number of TPA adjusters currently working to bring more claims in-house.

Mr. Hughes advised that in the UPCIC estate, FIGA had received over 23,000 claims, with 4,784 still open as of the date of the Board meeting. Mr. Hughes reported that in Southern Fidelity, FIGA had closed 83% of the claims it had received, and anticipated the vast majority to be resolved by June of 2024. He reported that the FedNat estate had 73% of the claims closed, but that half of the remaining claims were construction defect claims that involved multiple parties and multiple carriers. He anticipated that the majority of FedNat claims would be resolved by September of 2024. Mr. Hughes discussed the remaining claims for Avatar, St. Johns, Gulfstream, Lighthouse, Weston, Windhaven/Windhaven National, Florida Specialty, AmCap, and Sawgrass, which all had a majority of the claims closed.

Ms. Matthews inquired whether FIGA has processes to evaluate the accuracy of the claims payments, and whether FIGA was auditing files to gauge whether it was over or under paying claims. Mr. Hughes responded that multiple people at the TPA and FIGA management review the claims, and that there are quality controls in place to make sure check payments are reviewed for accuracy. He also advised that there is a weekly TPA Production Report that summarizes the results for each of the TPAs, which he stated improves the production and fosters competition among the TPAs.

Mr. Neal addressed the claims activity incurred on UPCIC to date of over \$409 million, and discussed the early projections of \$500-\$600 million that were based on UPCIC's actuarial report. He advised that FIGA is currently below the actuarial projections on UPCIC, but that FIGA had exceeded projections on other estates including St. Johns and AmCap. He advised the Board that FIGA is currently making claims payments between \$80-\$100 million per month.

Mr. Lydecker inquired whether the tort reforms had any impact on the open claims in the UPCIC estate, and Mr. Neal responded that the tort reforms went into effect for policies issued after January 1, 2023, which was after the date of liquidation, so it was not impacting the older UPCIC policies. Mr. Hughes acknowledged that the changes had slowed down the AOB claims and that the claims were more policyholder claims rather than AOB vendors.

Mr. Hughes discussed the internal policies for reporting claims over \$100,000 and CAT claims over \$150,000, and recommended that due to increasing home repair costs, FIGA should consider adjusting the amount to claims above \$200,000 to increase claims efficiencies. Ms. Blackburn requested additional information on what the current process is, and Mr. Hughes advised that the current process is to report any claim above the current limits to the claims committee to approve the payment. Ms. Matthews inquired who is on the claims committee, and Mr. Neal advised that it is an industry advisory committee, not a Board committee. Mr. Lydecker inquired if the claims are sent in a batch for review, and Mr. Hughes advised that the claims are sent as the decisions are made to recommend payments, and that claims are not held up to send in batches. Mr. Lydecker inquired what percentage of claims would be impacted by the change, and

Mr. Hughes advised that it was less than 10%. Mr. Lydecker inquired what the savings would be if the change was made, since it would take away a check and balance on the claims payments, and Mr. Neal agreed to get additional statistics for the Board on the issue.

Mr. Lydecker suggested that if a TPA firm is not producing sufficiently, FIGA should stop utilizing that TPA. Mr. Hughes provided additional information to the Board about the difference in claims, including one TPA that had a majority of litigated files, which are more difficult to close/resolve. Ms. Matthews acknowledged that each claim is different. Mr. Hughes acknowledged that staff are reviewing the TPA performance to determine who is not performing, and to evaluate which claims to bring in-house. Mr. Lydecker requested that in-house claims also be included in the report to determine whether that was beneficial. Mr. Lydecker requested additional metrics and advised that the claims personnel should be made aware that the Board is reviewing their productivity. Ms. Blackburn stated that the Board needed to be careful of reviewing a snapshot of the claims activity, but would need to discuss further with Mr. Hughes on what he is seeing as issues, since not all claims are the same. Ms. Blackburn expressed the Board's appreciation for the claims team and their work.

7. FINANCIAL REPORT

Liz Frisbie provided an update to the Board on the financial statements for FIGA, which had total assets of \$748.6 million as of October 31. Ms. Frisbie discussed that there were \$335.4 million in assessments, \$46.1 million in early access payments as of the end of October, and that FIGA had received another \$46.2 million in early access payments from the Receiver the prior week.

Ms. Frisbie addressed the administrative expenses, that were up approximately \$2.3 million from the prior year. Mr. Neal advised the Board that there was a favorable variance for salaries and benefits because FIGA was using temporary contract labor, but that there was a negative variance for paying for that temporary contract labor. Mr. Lydecker inquired if that was intended to save money, and Mr. Neal advised that FIGA was able to get better services and stronger candidates, but that the budget was done before the UPCIC insolvency, which required additional staffing. Mr. Meenan reminded the Board that FIGA has historically worked on balancing the staffing needs with the claims ebb and flow, with unprecedented numbers of claims followed by periods without a lot of activity. He reminded the Board of the decision historically to not keep a large number of staff employed, as those costs would continue even in periods with minimal insolvency activity.

Mr. Neal discussed the cash flows for FIGA, including the auto account and the all other account. He discussed the flexibility to pay back the bonds sooner if possible, and advised the Board that there was \$100 million FIGA received in recoveries from the CAT Fund for Hurricane Ian claims.

Ms. Frisbie discussed the AGFG financial statements, and reminded the Board that AGFG pays the expenses on behalf of FIGA and FWCIGA. Mr. Neal advised the Board that FIGA currently dominates the AGFG budget, and therefore the AGFG financial statements show similar variances to those on the FIGA statement.

8. OPERATIONS REPORT

Mr. Neal discussed the proposed budget for 2024, including an addition of \$2.6 million to the budget for contract labor, but a reduction in claims handling fees of \$14 million as claims were brought in-house. He also discussed the increase of \$400,000 for the technology budget, which was largely due to the use of CaseGlide for litigation management. Mr. Neal advised that CaseGlide was the only vendor to respond to FIGA's procurement for those services. He also discussed the capital expenditures anticipated for 2024 due to AGFG owning the building and needing to perform scheduled maintenance. Mr. Neal advised that the AGFG Board had reviewed the compensation and benefits budget and had recommended it to the FIGA Board for approval.

A motion to approve the 2024 budget was made by Rene Hernandez, seconded by Ms. Matthews, and passed unanimously.

A recommendation to approve the allocation between FIGA and FWCIGA with an 80%/20% split was made by Mr. Neal to the Board. Mr. Lydecker made a motion to approve that allocation, which was seconded by Ms. Matthews, and passed unanimously.

Mr. Neal discussed the succession planning, with an expectation to have a new Chief Operating Officer in place by the first quarter of 2024. Mr. Neal also discussed the promotion of Bill Hughes to VP of Claims, and requested that the Board update the Succession Planning Policy with Mr. Hughes' new title and signature. A motion to update the plan and update Mr. Hughes' title was made by Ms. Matthews, seconded by Ray Waugh, and passed unanimously.

Mr. Neal provided the Board with an update on the assessments. He advised that the 2021 estimate was \$168 million in assessments, but FIGA actually collected \$181 million. He advised that the 2022A assessment had been anticipated to collect \$318 million, but actually collected \$366 million. He advised that the 2022B assessment estimate was \$172 million, and the 2023 assessment period was estimated to collect \$280 million. Mr. Neal advised that there was no recommendation from staff of a need for additional assessment at the time of the Board meeting. Ms. Matthews inquired if FIGA had an estimate of when it would pay off the bonds, and Kapil Bhatia responded that it could be close to three years, and Mr. Neal advised that there was flexibility to pay them back sooner.

Mr. Neal provided an update on the Consumer Service Plan, and advised that FIGA determined an area for improvement was on earlier communication with claimants after insolvency. He advised that FIGA was reformatting its first contact letters, and was working with DFS's Receivership office and the Consumer Services office to provide an update to claimants that their claim was being handled. Mr. Neal advised that FIGA had received 104,517 calls in 2023, with 90% answered within 30 seconds. He advised that 65 claims had been elevated to a TPA manager, and that 62% of the claims with escalations were closed. Mr. Hughes advised that claims staff identified public adjusters trying to escalate claims to get a more favorable outcome, and that most of the calls were public adjuster generated, not consumers. Mr. Neal acknowledged that early in the insolvency, a lot of the calls were because claimants did not know who their adjuster was.

Mr. Neal provided the Board an update on elections, with 7 seats up for election. Mr. Neal advised that the Citizens member and the CFO's appointed member positions did not expire until 2027. Mr. Neal advised that he had sent nomination forms, but had not gotten a response from Liberty Mutual, and advised that ballots were due the following week.

7. OTHER BUSINESS, CLOSING REMARKS

Ms. Blackburn inquired when the next meeting would take place, and Mr. Neal advised that staff were looking at March, once the new Board was in place. There being no further business, a motion to adjourn the meeting was made by Mr. Lydecker, seconded by Ms. Matthews, and the meeting adjourned at 10:43 a.m.

RECEIVER'S REPORT (Verbal)

LEGAL REPORT (Verbal)

- Legislative and Regulatory Report

FINANCE & AUDIT COMMITTEE

- Chairman's Report
 - Minutes - May 30, 2023 and December 7, 2023
 - Investment Report - February 29, 2024
 - Investment Policy Review (Action)
 - Audit Report
 - FIGA (Action)
 - AGFG (Action)
 - Charter / Checklist Review
 - Charter (Action)
 - Checklist (Action)

- Chairman's Report

° Minutes - May 30, 2023

FLORIDA INSURANCE GUARANTY ASSOCIATION
FINANCE AND AUDIT COMMITTEE MEETING
MINUTES MAY 30, 2023

1. CALL TO ORDER

The Finance and Audit Committee (“the Committee”) of the Florida Insurance Guaranty Association, Inc. (“FIGA”) met on May 30, 2023 at 10:30 a.m.

The meeting was called to order, a quorum was announced. In attendance were:

Pamela Matthews
Raymond Waugh

Also attending the Committee Meeting:

Corey Neal	Executive Director Chief
Holly Newell	Operating Officer
Bill Hughes	Vice President of Claims
Liz Frisbie	Controller
Casey White	FIGA
Susan Ferguson	FIGA Executive Assistant
Veronica Degraff	FIGA HR Director
Kimberly Blackburn	FIGA Board Chair
Tim Meenan	FIGA General Counsel
Kirsten Matthis	Meenan, P.A.
Kapil Bhatia	Raymond James
Sasha Stipanovich	Raymond James Thomas
Allison Harrell	Howell Ferguson Insight
David Witthohn	Investment RBC Global
Randy Harrison	

Declaring a quorum, Committee Chair Pamela Matthews welcomed members, staff and guests to the meeting.

2. ANTITRUST POLICY

The FIGA Antitrust Policy was reviewed by Tim Meenan and Committee members were reminded to adhere to same.

3. APPROVAL OF MINUTES

The Committee reviewed the minutes from the November 29, 2022 meeting. A Motion to approve the minutes passed unanimously.

4. INVESTMENT REPORT

Mr. Neal provided an update to the Committee that the FIAIA Board had approved the closing documents for the issuance of bonds. Mr. Waugh inquired if the expectation was for FIGA to pay off the financing in 4-5 years, and Mr. Bhatia responded that FIGA was going to be borrowing approximately \$600 million, which was anticipated to be recovered under assessments in approximately three years. Mr. Neal advised the Committee that FIGA was hoping to get a higher credit rating, but because FIGA already has a very good rating, it was not expected to go up significantly.

Ms. Frisbie advised the Committee that FIGA had \$362.4 million invested as of the end of April, with 85% of the portfolio in cash and cash equivalents, 11% in short term holdings, and 4% in holdings with maturity dates greater than one year. She advised the Committee that the investments were temporarily out of compliance at the end of April because the Corporate Securities per Issuer exceeded the maximum 3% maximum for two holdings, due to cash withdrawals from the portfolios, but that they were compliant at the time the holdings were purchased.

David Witthohn presented the report from Insight. He discussed that the portfolio is structured to be relatively short term, with an average duration of .49 years. He discussed that the yield curve was working in FIGA's favor, with buying a lot of treasuries and discount notes. He discussed that the three month performance was slightly behind the benchmark, caused by the shorter duration than the benchmark of 1 year. He discussed the strong employment market, and discussed that every sector of the economy had strong employment numbers. He discussed that the GDP forecast had been increased for the year, and that for April, two jobs were posted for every unemployed person, with the only employment sector down being information/technology.

Ms. Matthews asked Mr. Witthohn to discuss the inflation outlook. Mr. Witthohn responded that the Consumer Price Index showed it was off of the highs, but was coming down slowly. He discussed that the Personal Consumption Expenditures numbers were not going down quickly, and that the most recent inflation posting had gone from 4.2% to 4.4%. He discussed that the Fed was still targeting a 2% inflation rate, and that he expected the Fed to be persistent through the end of the year. He addressed the consistently high construction costs, and the anticipation that rates would stay high through the end of the year, with no expectation of the Fed cutting rates by the end of the year. Mr. Neal advised the Board that for the municipal bonds, the fixed rate was currently below the variable rate. Mr. Witthohn discussed that inflation was not expected to re-accelerate, but that it was not coming down quickly.

Mr. Harrison delivered the investment report for RBC. He advised the Committee that RBC's outlook was similar to what Mr. Witthohn had discussed. Specifically, he advised that the Fed was determined to keep inflation under control, which would keep the rates high. He advised that RBC was anticipating a mild recession in late 2023/early 2024, but that with the strong labor market, it was anticipated to be a mild variety of recession. Mr. Harrison discussed the elevated market volatility from Ukraine, China, and the debt ceiling, and discussed banking stress, with

regional banks creating a good deal of volatility. Mr. Harrison discussed that the Fed raising rates put pressure on the banks' balance sheets, and that 80% of global banks have raised rates, with an anticipation that the rates were nearing the top.

Regarding FIGA's portfolio, Mr. Harrison advised the Committee that the current risk rate compared to the benchmark was approximately one third because the portfolio duration for FIGA was much shorter than the benchmark. He advised that the portfolio was still generating income, and that due to the liquidity challenges for FIGA, interest rate risks are not dramatic. He advised the Committee that the portfolio was postured much shorter than typical.

Mr. Neal inquired what was causing the elevated shelter component. Mr. Harrison advised that the U.S. had a shortage of 4 million units of housing, indicating that there was not enough housing available for 1-2% of the population. He discussed the high construction and labor costs, and the time component to build additional housing. Mr. Bhatia advised that after Covid, the housing crisis increased, and that it will take another anticipated twelve months to stabilize. Mr. Bhatia advised the Committee that the housing issue is not a true measure of inflation, but is a factor.

5. INVESTMENT POLICY REVIEW

Ms. Frisbie reminded the Committee that the investment policy requires a review at the annual meeting, and that it was last revised in May, 2019. Ms. Frisbie advised the Committee that the investment policy was re-affirmed in June of 2022. Ms. Frisbie discussed that staff had reviewed the policy and discussed with Raymond James, as well as RBC and Insight, with suggested changes in the Board materials. She discussed that there were a few grammar revisions, and a change made to the Allowable Assets to permit 4.2A Commercial Paper.

Mr. Neal discussed that Mr. Bhatia had recommended not making the change currently, but that all suggestions were being shared with the Committee. Mr. Neal discussed that the current market environment was not conducive to making changes in the policy. Ms. Matthews agreed that micromanagement in the current market environment was a bad idea.

Mr. Bhatia advised that because the FIGA portfolio is relatively small with significant cash flow needs, he recommended leaving the policy as it was currently and readdressing the issue in another year or whenever the market stabilized. Mr. Witthohn echoed these sentiments.

Ms. Matthews and Mr. Waugh agreed not to make changes to the policy at this time. Mr. Waugh moved to take the recommendation to the full Board, to reaffirm the existing policy and reevaluate when the market and FIGA's cash flow needs were more stable, which Ms. Matthews seconded, and the motion passed unanimously.

6. AUDIT REPORT

Ms. Newell introduced Ms. Harrell from Thomas Howell Ferguson to discuss the audit report. Ms. Harrell advised the Committee that the auditor's report was an unmodified opinion,

which is the highest level of assurance on a set of audited financial statements. She advised that it was a good, clean opinion. Ms. Harrell advised the Committee that FIGA had not had debt prior to the current audit year. She discussed the Statements of Functional Expenses, with the biggest item being claims and claims adjustment expenses paid. Ms. Harrell discussed that a change was made to reflect a change in the accounting method for assessments this year. Mr. Neal discussed that staff were working with Thomas Howell Ferguson to address how to reflect bond issuance on the balance sheet going forward.

Ms. Harrell discussed the new accounting method included in the report for assessment receivables. She wrapped up her report on the FIGA audit by advising the Committee there were no uncorrected misstatements, no disagreements with management, no significant issues or difficulties, and no issues with the agreed upon procedures.

Ms. Harrell discussed the AGFG Audit results with the Committee as well. She advised that they also had a good, clean opinion, with increased activity from the year prior.

Mr. Waugh made a motion to accept the audit report and recommend final acceptance to the full FIGA Board, which was seconded by Ms. Matthews, and passed unanimously.

5. CHARTER/CHECKLIST REVIEW

Ms. Frisbie discussed that this was the first Committee meeting in 2023. She advised the Committee that Ms. Harrell wanted to address the Committee regarding the fees charged by Thomas Howell Ferguson.

Ms. Harrell discussed that the contract for auditing services was out for bid two years ago, at which time Thomas Howell Ferguson decreased their fees. She discussed the fact that since that time, inflation had gone up 10%, there had been significantly increased activity for FIGA, and Thomas Howell Ferguson had to invest additional hours into the audit process. Ms. Harrell advised that she was asking for consideration for an increase from \$25,000 to \$31,000, which was still less than the amount charged in 2019. She advised that they were asking for this to apply to the 2022 audit. Ms. Harrell also advised that they were asking for a \$500 increase for the Agreed Upon Procedures.

Mr. Neal advised the Committee that staff agreed Thomas Howell Ferguson helped a lot in the past year, and that staff had to consult with them more than in years passed. Ms. Matthews stated that the increase appeared to be fair, given that there was more work and more complexity. Mr. Meenan advised the Committee that because it was a Category 2 expense and had been subject of a competitive solicitation, it needed to be recommended to the full Board. Mr. Waugh made a motion to recommend the increase requested to the full Board, which was seconded by Ms. Matthews, and passed unanimously.

Ms. Frisbie discussed the rest of the Checklist items, and advised that the extension filed for taxes at the end of the last year had been completed timely.

8. GENERAL ANNOUNCEMENTS, CLOSING REMARKS & ADJOURNMENT

A motion to adjourn was made and seconded, and the Committee, having no further business, adjourned the meeting at 12:01 p.m.

CORPORATE SECRETARY

DATE

FLORIDA INSURANCE GUARANTY ASSOCIATION
FINANCE AND AUDIT COMMITTEE MEETING
MINUTES DECEMBER 7, 2023

1. CALL TO ORDER

The Finance and Audit Committee (“the Committee”) of the Florida Insurance Guaranty Association, Inc. (“FIGA”) met on December 7, 2023 at 9:00 a.m.

The meeting was called to order, a quorum was announced. In attendance were:

Pamela Matthews
Raymond Waugh

Also attending the Committee Meeting:

Corey Neal	Executive Director
Bill Hughes	Director of Claims
Liz Frisbie	Controller
Susan Ferguson	FIGA Executive Assistant
Veronica Degraff	FIGA HR Director
Kimberly Blackburn	FIGA Board Chair
Tim Meenan	FIGA General Counsel
Kirsten Matthis	Meenan, P.A.
Lisa Truckenbrod	Meenan, P.A.
Kapil Bhatia	Raymond James
Sasha Stipanovich	Raymond James
Allison Harrell	Thomas Howell Ferguson
Jason Celente	Insight Investment
Randy Harrison	RBC Global

Declaring a quorum, Committee Chair Pamela Matthews welcomed members, staff and guests to the meeting.

2. ANTITRUST POLICY

The FIGA Antitrust Policy was reviewed by Tim Meenan and Committee members were reminded to adhere to same.

3. APPROVAL OF MINUTES

The Committee took no action on this agenda item, and agreed to review and approve the minutes from the May 30, 2023 meeting after they received them and had an opportunity to review them prior to the next Committee meeting.

4. INVESTMENT REPORT

Liz Frisbie reviewed the investment policy, and advised the Committee that staff had no recommended changes to the policy at this time. She reminded the Board that the Committee would review the policy again at the next annual meeting in 2024, and Corey Neal advised that staff would continue to bring up any suggested changes to the Committee as necessary.

Ms. Frisbie advised that as of October 31, 2023, the portfolio total value was \$410.3 million, and 45% of the portfolio in cash or cash equivalent. She advised that the portfolio was compliant as of October 31, 2023. Ms. Frisbie discussed that the restricted funds were bond proceeds in a trust account, which required reporting to the Trustee as claim payments were made. Once the reporting occurred, the funds were approved to move into the unrestricted operating account.

Ms. Matthews inquired about the difference in short-term investments between RBC Global and Insight, and whether there was a reason for the difference. Randy Harrison advised that due to FIGA's cash flow needs, RBC was limiting investments. Jason Celente advised that the RBC portfolio likely had longer term securities in the account at the time the investment managers received the directive to support the cash flow needs, and therefore have a larger piece of the portfolio in longer term securities. Ms. Frisbie advised that the current portfolio yields as of the end of October 2023 were 5.2% for the Insight portfolio, and 5.45% for the RBC Global portfolio.

Mr. Celente delivered the investment report for Insight, and advised that the economy was getting closer to a pre-pandemic normal. He advised that Insight predicted the growth rate to decline in 2024 to 1.4-1.5%, and the consumer price index was predicted to be closer to 2.4% for 2024. He addressed the Fed targeting 2%, with a restrictive policy to slow down growth. He advised that Insight did not anticipate the Fed policy to put the U.S. into a recession because of the strength of the labor market, and the fact that real disposable income and consumption were both well above historical averages. He advised that Insight anticipated the Fed will respond to the inflation with fewer cuts in 2024 than initially anticipated, and that the Fed may be overreacting to the inflation at this time.

Mr. Celente advised that in the FIGA portfolio, the relative returns vs. the passive benchmark were still positive, but discussed the timing of when FIGA can reengage in a longer-term strategy for its investments. He advised that FIGA's current portfolio does not have as much price exposure as the index does. He discussed that the benchmark has a longer term duration than the current portfolio does, but that they were still able to maintain a yield similar to the benchmark because of the yield curve. He discussed that Insight was working to try to add greater value to FIGA's funds vs. allowing the money to sit in a bank, while also recognizing FIGA's cash flow needs.

Mr. Harrison delivered the investment report for RBC Global, and advised that inflationary pressures were easing. He discussed the Fed's perspective that inflation is bad for the economy, and the Fed's reaction in aggressively raising rates and creating market volatility. Unlike Insight, Mr. Harrison advised the Board that RBC anticipated a recession to be likely, but that it would be

a mild recession. He discussed the high volatility as people try to interpret the Fed's plans going forward on controlling inflation, and also advised that inflation was currently a global phenomenon. He discussed that inflation had come down substantially from the highest level at 9% in recent history, and that the Fed is trying to target a 2% inflation rate. Mr. Harrison advised that RBC anticipated the Fed to bring rates down in the months ahead, and that the Fed agreed to pause raising rates for the last two meetings, but is holding the rate levels where they are to allow sufficient time to cure higher inflation. He discussed the unprecedented reaction of the Fed to inflation, but advised that the economy had been resilient so far.

Mr. Harrison discussed the portfolio performance, which he reported had strong numbers for the one year look back period, based on a strong yield position relative to the benchmark. He discussed that the portfolio was postured much shorter than it typically would be, which allowed FIGA to take advantage of the current market conditions. He reported that as yields trend lower, the portfolio would not continue to have the same price performance relative to the benchmark with the short-term investments.

Ms. Matthews inquired whether it was time for FIGA to move the portfolios back to longer-term investments. Both Mr. Harrison and Mr. Celente advised that, based on FIGA's cash needs to pay claims, the portfolios are positioned to ensure sufficient liquidity. They discussed the planning to be taken in the future regarding moving to longer-term investments and avoiding contingent withdrawals of those investments. Kapil Bhatia advised the Committee that if there are no further insolvencies and the cash flow needs stabilize, the Committee can reevaluate in the future. Mr. Neal advised that the current cash forecast appeared to stabilize in late 2024, and that FIGA would be able to predict more consistently what its continued cash needs would be in the fourth quarter of 2024.

5. CHARTER/CHECKLIST REVIEW

Ms. Frisbie advised that staff had no suggested changes to the Charter, but that it was included in the materials for the Committee's review. Ms. Frisbie inquired if the Committee members had any suggested changes, but there were no suggested changes and no action was taken on the Charter.

Ms. Frisbie went over the Charter Checklist, which she advised the Committee is the working document behind the Charter, which begins anew at the beginning of each year. Ms. Frisbie advised the Board on the color coding for the checklist, and went over the checklist items and their status. Ms. Frisbie advised that the 990 tax filing was the only item incomplete from the prior checklist year, but that it had subsequently been completed and timely filed.

Ms. Frisbie discussed the revenue realization process for assessments, and that the assessments are reported at the time they are levied. Mr. Neal discussed that the pass-through assessment required a different method to account for assessments. He advised that historically assessments were recorded as the revenue was received, and that when FIGA started having to borrow against future assessments, it created an issue for the balance sheet because there was a liability without an asset to balance it. He advised the Committee that the accounting changed the

revenue recognition to record the assessments when they are levied. He discussed the 1% assessment until the bonds are paid off. Ms. Matthews acknowledged that the new accounting plan made sense under the circumstances. Mr. Neal advised the Committee that FIGA staff would work with Alison Harrell of Thomas Howell Ferguson to address the accounting changes, and that they would provide an update to the Committee. Mr. Neal advised that they were following the NCIGF accounting manual, which has instructions for how the guaranty funds should account for these assessments, and that Ms. Frisbie serves on the national committee, so FIGA has cutting edge information from the national organization on how to account for the assessments.

Ms. Harrell addressed the Thomas Howell Ferguson request for an increase for 2024 in the fee amount by 5% to the Committee. Mr. Neal advised the Committee of the additional anticipated work regarding making sure all member companies are properly reporting the assessments that are owed, and Ms. Harrell discussed the significant additional scope for additional procedures. Ms. Matthews asked Mr. Neal if the fees were reasonable and necessary, and after discussion, Committee approved the requested increases for the fees.

Ms. Frisbie provided additional comments to the Committee regarding the fluctuating interest rates which had improved. She also briefly addressed the negative claims development following the 2022 and 2023 storm seasons.

Mr. Neal advised the Committee that FIGA is working with Risk Regulatory Group to assist with commutation of the CAT Fund treaties, and that they would need to commute in 2024 for Hurricane Michael claims. He advised the Committee that the actuarial services for the commutation work are in the budget.

Ms. Frisbie discussed the accounting policies and internal controls manual, which was provided to the Committee for informational purposes. She advised that staff were reviewing the documents and would be providing any needed updates in the next meeting. Mr. Neal advised that processes will be updated so the documents needed to be updated to keep them current with the revised processes. Ms. Frisbie advised that the policies and manual are reviewed annually by staff and auditors, but no major changes had been necessary since 2019.

8. GENERAL ANNOUNCEMENTS, CLOSING REMARKS & ADJOURNMENT

A motion to adjourn was made and seconded, and the Committee, having no further business, adjourned the meeting at 10:13 a.m.

CORPORATE SECRETARY

DATE

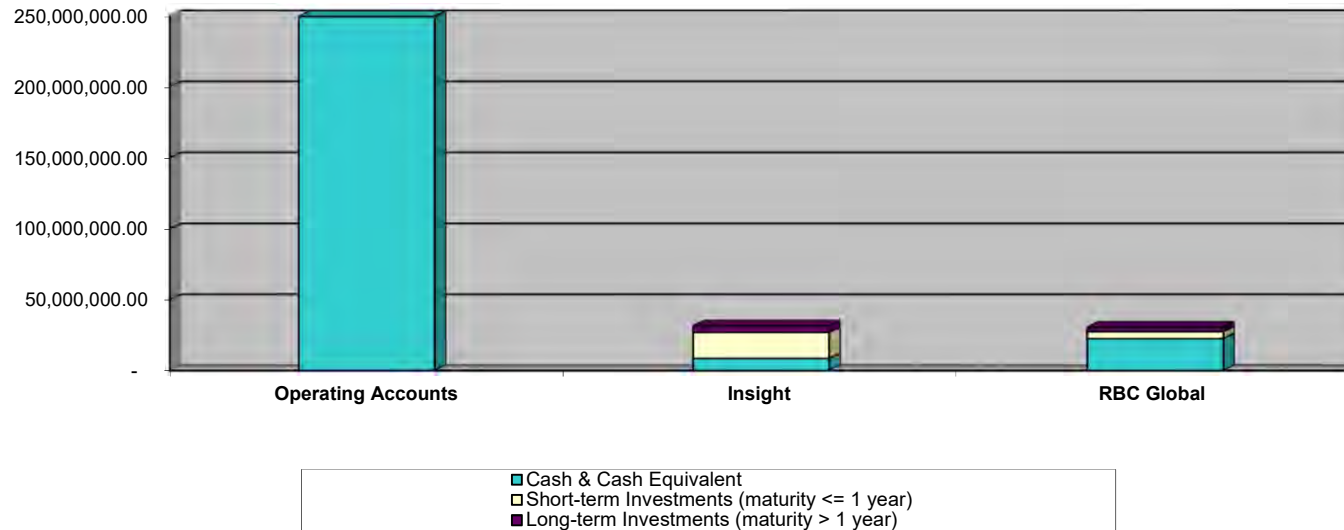
° Investment Report - February 29, 2024

Florida Insurance Guaranty Association, Inc.

INVESTMENT PORTFOLIO

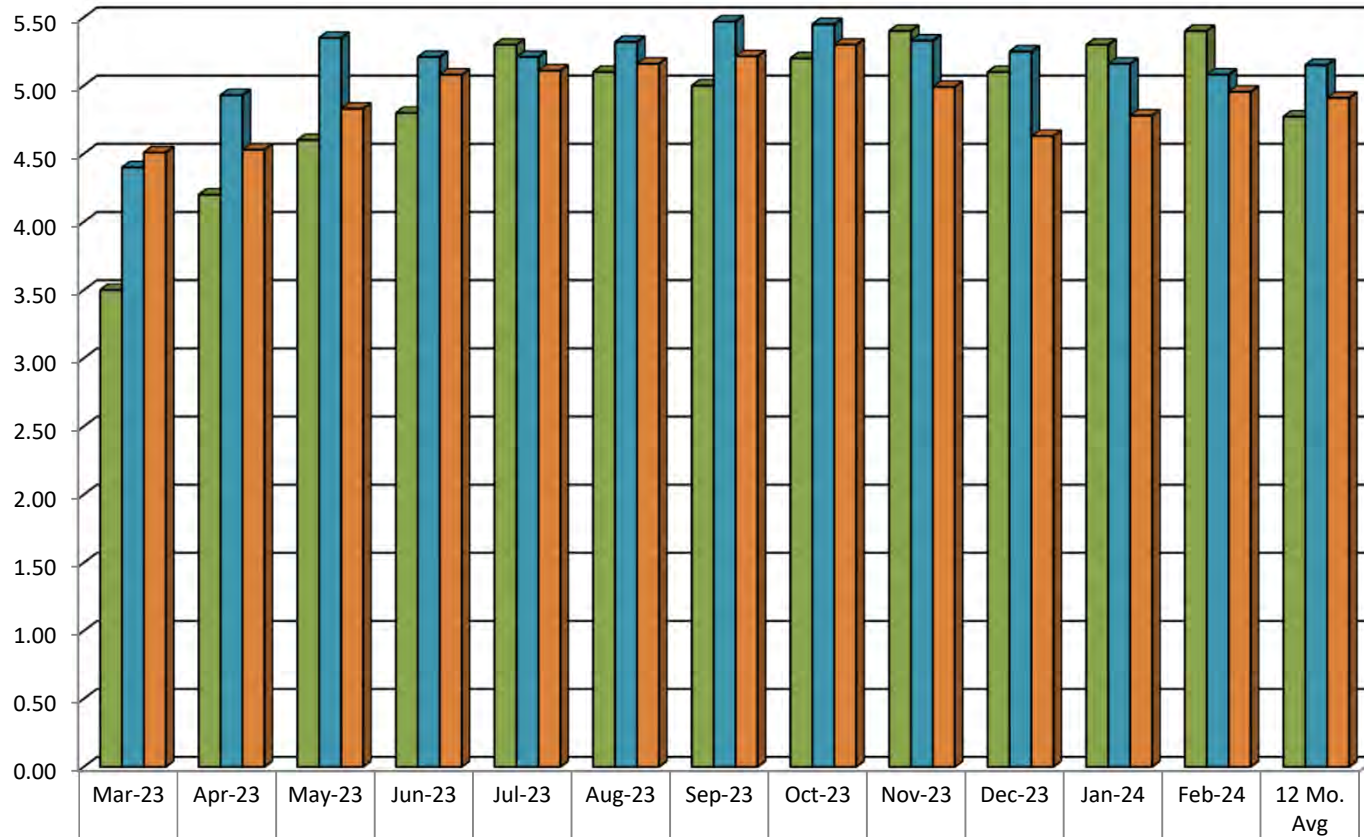
2/29/2024

	Operating Accounts	%	Insight	%	RBC Global	%	Total Investment Portfolio	%
Portfolio								
Cash & Cash Equivalent	\$ 72,037,770		8,544,149		22,481,305	7%	\$ 103,063,224	33%
Cash - BNY Mellon	80,626,332					0%	80,626,332	26%
Restricted Cash - Interim/Bond Financing	96,784,646					0%	96,784,646	31%
Short-term Investments			18,433,305		4,976,005	2%	23,409,310	8%
Long-term Investments			4,484,471		3,038,165	1%	7,522,636	2%
Total Investment Portfolio	\$ 249,448,748	80%	\$ 31,461,925	10%	\$ 30,495,475	10%	\$ 311,406,148	



The portfolio was not compliant with investment policy as of 2/29/2024. Intel Corp holding was downgraded this month. The security will be held as recommended by RBC.

Florida Insurance Guaranty Association, Inc.
PORTFOLIO YIELDS



Insight *	3.50	4.20	4.60	4.80	5.30	5.10	5.00	5.20	5.40	5.10	5.30	5.40	4.77
RBC *	4.40	4.93	5.35	5.21	5.21	5.32	5.47	5.45	5.33	5.25	5.16	5.08	5.15
Benchmark #	4.51	4.53	4.83	5.08	5.11	5.16	5.22	5.30	4.99	4.63	4.78	4.96	4.91

FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE REPRODUCED WITHOUT PRIOR WRITTEN APPROVAL
PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT

FLORIDA INSURANCE GUARANTY ASSOCIATION

February 2024



Florida Insurance Guaranty Association

Portfolio summary as of February 29, 2024



Portfolio summary

- Value: \$31,258,500
- Benchmark: 25% ICE BofA 0-1yr AAA-A US Corp/25% ICE BofA 0-3 Month US Tsy Bill/50% ICE BofA 1-5yr AAA-AA US Corp & Govt

Performance

	1 month %	3 months %	Year to date %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.
Portfolio	0.30	1.32	0.76	5.34	1.25	1.95	1.53	1.26
Benchmark	-0.15	1.26	0.25	4.81	0.90	1.57	1.24	1.05
Relative	0.46	0.06	0.50	0.52	0.36	0.38	0.29	0.21

- Tracking error: 1.02
- Information ratio: 0.35
- Sharpe ratio: -0.96
- Standard deviation: 1.35

Source: Insight/Northern Trust/Rimes.

Inception date for performance purposes: April 30, 2011.

Information ratio, tracking error (ex-post), standard deviation and sharpe ratio are calculated over a three year period

Returns are gross of fees.

Benchmark history provided at the end of this section

Florida Insurance Guaranty Association

Portfolio characteristics as of February 29, 2024



Summary

	Portfolio	Benchmark	Relative
Yield to worst (%)	5.4	4.9	0.5
Effective duration (years)	0.3	1.4	-1.1
Average coupon	1.4	1.9	-0.5
Average life / Maturity	0.3	1.4	-1.1
Average rating	AA	AA	

Approach used for credit rating: Average. All durations are effective duration.

Florida Insurance Guaranty Association

Benchmark history as of February 29, 2024



Benchmark history

25% ICE BofA 0-1yr AAA-A US Corp/25% ICE BofA 0-3 Month US Tsy Bill/50% ICE BofA 1-5yr AAA-AA US Corp & Govt	06/01/2019 - Present
50% ICE BofA 3M LIB/50% ICE BofA 1-3 yr Gov Corp \geq AA	05/01/2016 - 05/31/2019
50% ICE BofA 3M LIB/50% ICE BofA 1-3 yr Gov	12/01/2011 - 04/30/2016
75% ICE BofA 1-2yr AAA-A Corp/25% ICE BofA 1yr US Tsy	04/30/2011 - 11/30/2011

Summary portfolio valuation

As of February 29, 2024

Fixed Income

United States dollar

	Book cost USD	% of total Book cost	Market value USD	% of total Market value
Commercial Paper	5,860,955.80	18.63	5,860,468.68	18.75
Corporate Bonds	7,041,291.27	22.38	7,083,123.09	22.66
General Obligation	2,355,000.00	7.49	2,318,421.86	7.42
Government Agencies	7,346,317.49	23.35	7,133,979.08	22.82
Government Bonds	999,780.79	3.18	1,004,008.55	3.21
Short Term Bills and Notes	8,723,396.36	27.73	8,723,315.09	27.91
Total United States dollar	32,326,741.71	102.75	32,123,316.35	102.77
Total Fixed Income	32,326,741.71	102.75	32,123,316.35	102.77

Liquidity

Total Liquidity	-864,816.78	-2.75	-864,816.78	-2.77
Total	31,461,924.93	100.00	31,258,499.57	100.00

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Fixed Income							
United States dollar							
Commercial Paper							
775,000.00 CP BNP PARIBAS FORTIS SA/NEW YORK-ARRANGING BROKER 0% 29/04/2024	768,556.50	99.115 USD	768,137.38	0.00	768,137.38	2.46	-419.12
1,025,000.00 CP CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK/NEW YORK 0% 05/03/2024	1,024,244.06	99.926 USD	1,024,238.77	0.00	1,024,238.77	3.28	-5.29
525,000.00 CP ING US FUNDING LLC 0% 01/04/2024	522,548.26	99.521 USD	522,486.22	0.00	522,486.22	1.67	-62.04
350,000.00 CP MUFG UNION BANK NA-ARRANGING BROKER 0% 30/04/2024	346,839.02	99.100 USD	346,848.60	0.00	346,848.60	1.11	9.58
340,000.00 CP NATIXIS SA/NEW YORK NY - NATXMM 0% 05/04/2024	338,181.00	99.469 USD	338,193.85	0.00	338,193.85	1.08	12.85
715,000.00 CP NATIXIS SA/NEW YORK NY - NATXMM 0% 29/04/2024	708,672.25	99.111 USD	708,646.03	0.00	708,646.03	2.27	-26.22
345,000.00 CP NATIXIS SA/NEW YORK NY-NATXMM 0% 18/03/2024	344,108.44	99.735 USD	344,084.72	0.00	344,084.72	1.10	-23.72
1,375,000.00 CP SWEDBANK AB - SWDBANK 0% 13/05/2024	1,360,046.35	98.915 USD	1,360,075.35	0.00	1,360,075.35	4.35	29.00
300,000.00 CP TOYOTA MOTOR CREDIT CORP - TOYOT 0% 12/04/2024	298,093.67	99.363 USD	298,089.01	0.00	298,089.01	0.95	-4.66

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
150,000.00 CP TOYOTA MOTOR CREDIT CORP - TOYOT 0% 15/03/2024	149,666.25	99.779 USD	149,668.75	0.00	149,668.75	0.48	2.50
Total	5,860,955.80		5,860,468.68	0.00	5,860,468.68	18.75	-487.12
Total Commercial Paper	5,860,955.80		5,860,468.68	0.00	5,860,468.68	18.75	-487.12
Corporate Bonds							
Bank							
750,000.00 BANK OF AMERICA CORP 4% 01APR2024	749,049.78	99.857 USD	748,929.25	12,333.33	761,262.58	2.44	-120.53
435,000.00 BANK OF MONTREAL FRN 08MAR2024	435,050.75	100.007 USD	435,029.83	6,079.70	441,109.53	1.41	-20.92
750,000.00 TORONTO-DOMINION BANK 0.55% 04MAR2024	749,588.31	100.000 USD	750,000.00	2,005.21	752,005.21	2.41	411.69
Total Bank	1,933,688.84		1,933,959.08	20,418.24	1,954,377.32	6.25	270.24
Financial							
750,000.00 JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	749,656.21	99.943 USD	749,573.00	9,316.67	758,889.67	2.43	-83.21
750,000.00 JPMORGAN CHASE & CO 3.625% 13MAY2024	747,288.89	99.600 USD	747,001.85	8,005.21	755,007.06	2.42	-287.04
750,000.00 PUBLIC STORAGE OP CO FRN 23APR2024 (CALLABLE 18MAR24)	750,069.43	100.002 USD	750,018.66	4,466.78	754,485.44	2.41	-50.77
Total Financial	2,247,014.53		2,246,593.51	21,788.66	2,268,382.17	7.26	-421.02
Industrial							
1,000,000.00 ENTERGY LOUISIANA LLC 3.78% 01APR2025 (CALLABLE 01JAN25)	1,022,668.96	98.187 USD	981,865.05	15,540.00	997,405.05	3.19	-40,803.91

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Industrial							
340,000.00 PEPSICO INC 3.6% 01MAR2024 CALLABLE	339,983.00	100.000 USD	340,000.00	6,052.00	346,052.00	1.11	17.00
450,000.00 TOYOTA MOTOR CORP 0.681% 25MAR2024 CALLABLE	448,576.44	99.715 USD	448,718.42	1,310.93	450,029.35	1.44	141.98
Total Industrial	1,811,228.40		1,770,583.47	22,902.93	1,793,486.40	5.74	-40,644.93
Utility - Elec							
750,000.00 DTE ELECTRIC CO 3.65% 15MAR2024 CALLABLE	749,545.50	99.942 USD	749,561.92	12,470.83	762,032.75	2.44	16.42
300,000.00 POTOMAC ELECTRIC POWER 3.6% 15MAR2024 CALLABLE	299,814.00	99.925 USD	299,774.45	5,070.00	304,844.45	0.98	-39.55
Total Utility - Elec	1,049,359.50		1,049,336.37	17,540.83	1,066,877.20	3.41	-23.13
Total Corporate Bonds	7,041,291.27		7,000,472.43	82,650.66	7,083,123.09	22.66	-40,818.84
General Obligation							
Gob							
1,150,000.00 FLORIDA ST BRD OF EDU PUBLIC E 0.39% 01JUN2024	1,150,000.00	98.802 USD	1,136,227.95	1,096.33	1,137,324.28	3.64	-13,772.05
1,205,000.00 MARYLAND ST 0.51% 01AUG2024	1,205,000.00	97.977 USD	1,180,619.60	477.98	1,181,097.58	3.78	-24,380.40
Total Gob	2,355,000.00		2,316,847.55	1,574.31	2,318,421.86	7.42	-38,152.45
Total General Obligation	2,355,000.00		2,316,847.55	1,574.31	2,318,421.86	7.42	-38,152.45
Government Agencies							
Govt Agency							
1,064,000.00 FANNIE MAE 0.375% 25AUG2025	1,062,510.46	93.695 USD	996,913.79	44.33	996,958.12	3.19	-65,596.67

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Govt Agency							
1,200,000.00 FANNIE MAE 0.5% 14AUG2025 (CALLABLE 14MAY24)	1,199,292.06	93.973 USD	1,127,678.45	250.00	1,127,928.45	3.61	-71,613.61
1,200,000.00 FANNIE MAE 0.6% 29AUG2025 (CALLABLE 29AUG24)	1,200,000.00	93.898 USD	1,126,781.98	20.00	1,126,801.98	3.60	-73,218.02
180,000.00 FEDERAL FARM CREDIT BANK 0.3% 18MAR2024	179,565.16	99.761 USD	179,569.34	241.50	179,810.84	0.58	4.18
200,000.00 FEDERAL FARM CREDIT BANK FRN 05APR2024	200,022.15	100.011 USD	200,021.57	1,670.08	201,691.65	0.65	-0.58
625,000.00 FEDERAL FARM CREDIT BANK FRN 18MAR2024	625,009.01	99.999 USD	624,994.48	6,793.58	631,788.06	2.02	-14.53
275,000.00 FEDERAL HOME LOAN BANK 0.375% 15MAR2024 CALLABLE	274,438.80	99.800 USD	274,450.58	469.79	274,920.37	0.88	11.78
Total Govt Agency	4,740,837.64		4,530,410.19	9,489.28	4,539,899.47	14.52	-210,427.45
Supra-national							
1,100,000.00 ASIAN DEVELOPMENT BANK 1.5% 18OCT2024	1,106,513.71	97.658 USD	1,074,233.75	6,004.17	1,080,237.92	3.46	-32,279.96
750,000.00 INTL BK RECON & DEVELOP 2.5% 19MAR2024	748,897.58	99.876 USD	749,072.96	8,333.33	757,406.29	2.42	175.38
750,000.00 INTL FINANCE CORP FRN 03APR2024	750,068.56	99.998 USD	749,982.17	6,453.23	756,435.40	2.42	-86.39
Total Supra-national	2,605,479.85		2,573,288.88	20,790.73	2,594,079.61	8.30	-32,190.97
Total Government Agencies	7,346,317.49		7,103,699.07	30,280.01	7,133,979.08	22.82	-242,618.42

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Government Bonds							
Usgn							
1,000,000.00 US TREASURY FRN FRN 30APR2024	999,780.79	99.980 USD	999,800.04	4,208.51	1,004,008.55	3.21	19.25
Total Usgn	999,780.79		999,800.04	4,208.51	1,004,008.55	3.21	19.25
Total Government Bonds	999,780.79		999,800.04	4,208.51	1,004,008.55	3.21	19.25
Short Term Bills and Notes							
Govt Agency							
250,000.00 FED HOME LN DISCOUNT NT 0% 01MAR2024	249,963.68	99.985 USD	249,963.47	0.00	249,963.47	0.80	-0.21
1,300,000.00 FED HOME LN DISCOUNT NT 0% 03MAY2024	1,287,947.55	99.074 USD	1,287,959.11	0.00	1,287,959.11	4.12	11.56
375,000.00 FED HOME LN DISCOUNT NT 0% 08MAR2024	374,563.33	99.883 USD	374,561.67	0.00	374,561.67	1.20	-1.66
1,250,000.00 FED HOME LN DISCOUNT NT 0% 14MAR2024	1,247,502.80	99.795 USD	1,247,443.05	0.00	1,247,443.05	3.99	-59.75
575,000.00 FED HOME LN DISCOUNT NT 0% 19APR2024	570,968.68	99.272 USD	570,811.29	0.00	570,811.29	1.83	-157.39
625,000.00 FED HOME LN DISCOUNT NT 0% 22MAY2024	617,449.30	98.799 USD	617,492.54	0.00	617,492.54	1.98	43.24
1,000,000.00 FREDDIE MAC DISCOUNT NT 0% 22MAY2024	988,051.65	98.799 USD	987,988.06	0.00	987,988.06	3.16	-63.59
850,000.00 FREDDIE MAC DISCOUNT NT 0% 30MAY2024	838,719.80	98.683 USD	838,805.74	0.00	838,805.74	2.68	85.94
Total Govt Agency	6,175,166.79		6,175,024.93	0.00	6,175,024.93	19.75	-141.86

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Usgn							
460,000.00 USA TREASURY BILL 0% 02APR2024	457,815.76	99.529 USD	457,832.89	0.00	457,832.89	1.46	17.13
600,000.00 USA TREASURY BILL 0% 18APR2024	595,778.00	99.297 USD	595,784.00	0.00	595,784.00	1.91	6.00
250,000.00 USA TREASURY BILL 0% 21MAR2024	249,244.28	99.706 USD	249,265.28	0.00	249,265.28	0.80	21.00
1,250,000.00 USA TREASURY BILL 0% 26MAR2024	1,245,391.53	99.633 USD	1,245,407.99	0.00	1,245,407.99	3.98	16.46
Total Usgn	2,548,229.57		2,548,290.16	0.00	2,548,290.16	8.15	60.59
Total Short Term Bills and Notes	8,723,396.36		8,723,315.09	0.00	8,723,315.09	27.91	-81.27
Total United States dollar	32,326,741.71		32,004,602.86	118,713.49	32,123,316.35	102.77	-322,138.85
Total Fixed Income	32,326,741.71		32,004,602.86	118,713.49	32,123,316.35	102.77	-322,138.85

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. Please note that in the event that no bid price is available, mid price will be displayed. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Portfolio valuation

As of February 29, 2024

Holdings	Book cost USD	Price	Net market value USD	Accrued interest USD	Total market value USD	% total value	Unrealized gain/loss USD
Liquidity							
United States dollar							
Cash Account							
874,565.02 U.S. DOLLARS	874,565.02		874,565.02	0.00	874,565.02	2.80	0.00
Pending Trades							
-1,739,381.80 UNITED STATES DOLLAR	-1,739,381.80		-1,739,381.80		-1,739,381.80	-5.56	0.00
Total United States dollar	-864,816.78		-864,816.78	0.00	-864,816.78	-2.77	0.00
Total Liquidity	-864,816.78		-864,816.78	0.00	-864,816.78	-2.77	0.00
Total	31,461,924.93		31,139,786.08	118,713.49	31,258,499.57	100.00	-322,138.85

Prices have been obtained from Northern Trust, our investment operations service provider. Northern Trust obtain prices from reputable pricing vendors and undertakes price validation processes. In accordance with its pricing policy, Insight will, where appropriate, use independent sources to establish prices and will also generate prices, particularly in respect of OTC derivatives.

Acquisitions and disposals summary

For the period February 01, 2024 to February 29, 2024

Acquisitions

Fixed Income

United States dollar

	Book cost USD	Accrued interest USD	Settlement amount USD	Market USD	Realized gain/loss Currency USD	Total USD
Commercial Paper	8,500,927.07	0.00	8,500,927.07			
Corporate Bonds	3,729,693.75	40,503.75	3,770,197.50			
Government Bonds	999,680.17	289.57	999,969.74			
Short Term Bills and Notes	4,779,651.26	0.00	4,779,651.26			
Total United States dollar	18,009,952.25	40,793.32	18,050,745.57			
Total Fixed Income	18,009,952.25	40,793.32	18,050,745.57			
Total Acquisitions	18,009,952.25	40,793.32	18,050,745.57			

Acquisitions and disposals

For the period February 01, 2024 to February 29, 2024

Trade date Settle date Execution time	Security description Asset ID	Order type Venue ID	Shares/PAR Price	Book cost USD	Accrued interest USD	Settlement amount USD
Commercial Paper						
01 Feb 24 01 Feb 24 13:04:00	NATIXIS N Y BRH 0.0% CP 02-02-2024 CUSIP: 63873JB25	Market XOFF	950,000.00 99.98528 USD	949,860.14	0.00	949,860.14
01 Feb 24 01 Feb 24 13:04:00	COOPERATIEVE CENTRALE RAIFFEISEN-BOERENL 0.0% CP 02-02-2024 CUSIP: 21687AB28	Market XOFF	300,000.00 99.98531 USD	299,955.92	0.00	299,955.92
02 Feb 24 02 Feb 24 13:20:00	CP CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK/NEW YORK 0% 05/03/2024 CUSIP: 22533TC53	Market XOFF	1,025,000.00 99.528 USD	1,020,162.00	0.00	1,020,162.00
12 Feb 24 12 Feb 24 13:05:00	CP ING US FUNDING LLC 0% 01/04/2024 CUSIP: 4497W0D13	Market XOFF	275,000.00 99.27725 USD	273,012.44	0.00	273,012.44
12 Feb 24 13 Feb 24 18:52:00	CP ING US FUNDING LLC 0% 01/04/2024 CUSIP: 4497W0D13	Market XOFF	250,000.00 99.29333 USD	248,233.33	0.00	248,233.33
14 Feb 24 15 Feb 24 13:42:00	CP NATIXIS SA/NEW YORK NY-NATXMM 0% 18/03/2024 CUSIP: 63873JCJ7	Market XOFF	345,000.00 99.52622 USD	343,365.47	0.00	343,365.47
15 Feb 24 15 Feb 24 13:19:00	NATIXIS N Y BRH 0% CP 02-16-2024 CUSIP: 63873JBG4	Market XOFF	775,000.00 99.98528 USD	774,885.90	0.00	774,885.90

Acquisitions and disposals

For the period February 01, 2024 to February 29, 2024

Trade date Settle date Execution time	Security description Asset ID	Order type Venue ID	Shares/PAR Price	Book cost USD	Accrued interest USD	Settlement amount USD
15 Feb 24 20 Feb 24 12:45:00	CP BNP PARIBAS FORTIS SA/NEW YORK-ARRANGING BROKER 0% 29/04/2024 CUSIP: 09659BDV9	Market XOFF	775,000.00 98.97458 USD	767,053.02	0.00	767,053.02
16 Feb 24 16 Feb 24 13:31:00	NATIXIS N Y BRH 0% CP 02-20-2024 CUSIP: 63873JBL3	Market XOFF	775,000.00 99.94111 USD	774,543.61	0.00	774,543.61
22 Feb 24 22 Feb 24 12:34:00	CP NATIXIS SA/NEW YORK NY - NATXMM 0% 05/04/2024 CUSIP: 63873JD56	Market XOFF	340,000.00 99.36097 USD	337,827.31	0.00	337,827.31
22 Feb 24 22 Feb 24 12:32:00	CP NATIXIS SA/NEW YORK NY - NATXMM 0% 29/04/2024 CUSIP: 63873JDV9	Market XOFF	715,000.00 99.01175 USD	707,934.01	0.00	707,934.01
22 Feb 24 22 Feb 24 15:23:00	CP MUFG UNION BANK NA-ARRANGING BROKER 0% 30/04/2024 CUSIP: 62479LDW2	Market XOFF	350,000.00 98.99322 USD	346,476.28	0.00	346,476.28
26 Feb 24 26 Feb 24 12:35:00	CP SWEDBANK AB - SWDBANK 0% 13/05/2024 CUSIP: 87019RED4	Market XOFF	800,000.00 98.86211 USD	790,896.89	0.00	790,896.89
27 Feb 24 28 Feb 24 13:25:00	CP SWEDBANK AB - SWDBANK 0% 13/05/2024 CUSIP: 87019RED4	Market XOFF	575,000.00 98.89167 USD	568,627.08	0.00	568,627.08
29 Feb 24 29 Feb 24 13:03:00	CP TOYOTA MOTOR CREDIT CORP - TOYOT 0% 12/04/2024 CUSIP: 89233GDC7	Market XOFF	300,000.00 99.36456 USD	298,093.67	0.00	298,093.67
Total Commercial Paper				8,500,927.07	0.00	8,500,927.07

Acquisitions and disposals

For the period February 01, 2024 to February 29, 2024

Trade date Settle date Execution time	Security description Asset ID	Order type Venue ID	Shares/PAR Price	Book cost USD	Accrued interest USD	Settlement amount USD
Corporate Bonds						
07 Feb 24	JOHN DEERE CAPITAL CORP 2.6%	Market	750,000.00	748,477.50	8,233.33	756,710.83
09 Feb 24	07MAR2024	XOFF	99.797			
13:29:05	SEDOL: BJN4JX7		USD			
13 Feb 24	PUBLIC STORAGE OP CO FRN	Market	750,000.00	750,090.00	2,654.84	752,744.84
14 Feb 24	23APR2024 (CALLABLE	XOFF	100.012			
13:20:23	18MAR24)		USD			
	SEDOL: BMG8766					
13 Feb 24	BANK OF MONTREAL FRN	Market	435,000.00	435,152.25	4,978.92	440,131.17
14 Feb 24	08MAR2024	XOFF	100.035			
13:13:00	SEDOL: BM8HR72		USD			
21 Feb 24	DTE ELECTRIC CO 3.65%	Market	750,000.00	749,242.50	12,014.58	761,257.08
23 Feb 24	15MAR2024 CALLABLE	XOFF	99.899			
13:41:19	SEDOL: BGH3G05		USD			
21 Feb 24	JPMORGAN CHASE & CO 3.625%	Market	750,000.00	746,917.50	7,552.08	754,469.58
23 Feb 24	13MAY2024	XOFF	99.589			
13:42:13	SEDOL: BMMVFB0		USD			
29 Feb 24	POTOMAC ELECTRIC POWER	Market	300,000.00	299,814.00	5,070.00	304,884.00
04 Mar 24	3.6% 15MAR2024 CALLABLE	XOFF	99.938			
20:05:32	SEDOL: BLNMZC6		USD			
Total Corporate Bonds				3,729,693.75	40,503.75	3,770,197.50
Government Bonds						
01 Feb 24	US TREASURY FRN FRN	Market	1,000,000.00	999,680.17	289.57	999,969.74
02 Feb 24	30APR2024	XOFF	99.96802			
18:08:18	SEDOL: BQ2GVJ3		USD			
Total Government Bonds				999,680.17	289.57	999,969.74
Short Term Bills and Notes						
05 Feb 24	USA TREASURY BILL 0%	Market	460,000.00	456,227.23	0.00	456,227.23
06 Feb 24	02APR2024	XOFF	99.17983			
13:49:00	SEDOL: BQ72J69		USD			

Acquisitions and disposals

For the period February 01, 2024 to February 29, 2024

Trade date Settle date Execution time	Security description Asset ID	Order type Venue ID	Shares/PAR Price	Book cost USD	Accrued interest USD	Settlement amount USD
14 Feb 24 14 Feb 24 13:17:00	FED HOME LN DISCOUNT NT 0% 03MAY2024 SEDOL: BSMPD54	Market XOFF	1,300,000.00 98.8556 USD	1,285,122.76	0.00	1,285,122.76
21 Feb 24 22 Feb 24 13:18:00	FREDDIE MAC DISCOUNT NT 0% 22MAY2024 CUSIP: 313396XD0	Market XOFF	1,000,000.00 98.69 USD	986,900.00	0.00	986,900.00
23 Feb 24 23 Feb 24 12:35:00	FED HOME LN DISCOUNT NT 0% 22MAY2024 SEDOL: B89STQ9	Market XOFF	625,000.00 98.70456 USD	616,903.47	0.00	616,903.47
29 Feb 24 01 Mar 24 13:15:00	FREDDIE MAC DISCOUNT NT 0% 30MAY2024 CUSIP: 313396XM0	Market XOFF	850,000.00 98.67292 USD	838,719.80	0.00	838,719.80
29 Feb 24 01 Mar 24 20:36:34	USA TREASURY BILL 0% 18APR2024 SEDOL: BMHVN11	Market XOFF	600,000.00 99.29633 USD	595,778.00	0.00	595,778.00
Total Short Term Bills and Notes				4,779,651.26	0.00	4,779,651.26
Total United States dollar				18,009,952.25	40,793.32	18,050,745.57
Total Fixed Income				18,009,952.25	40,793.32	18,050,745.57
Total Acquisitions				18,009,952.25	40,793.32	18,050,745.57

Corporate actions

For the period February 01, 2024 to February 29, 2024

Fixed Income

United States dollar

Ex date	Original security description / Asset id shares	Original cost	Change description	Payment amount	Resulting security description/Asset id shares	Resulting cost	Realized gain/loss market currency
01 Feb 24	BNP PARIBAS NEW YORK BRH 0% CP 02-01-2024 CUSIP: 09659BB17 250,000.000	250,000.00	REDEMPTION	250,000.00			0.00 0.00
01 Feb 24	CREDIT AGRICOLE CORPORATE & INVT BK NEW 0% CP 02-01-2024 CUSIP: 22533TB13 1,000,000.000	1,000,000.00	REDEMPTION	1,000,000.00			0.00 0.00
02 Feb 24	COOPERATIEVE CENTRALE RAIFFEISEN-BOERENL 0.0% CP 02-02-2024 CUSIP: 21687AB28 300,000.000	300,000.00	REDEMPTION	300,000.00			0.00 0.00
02 Feb 24	CREDIT SUISSE NY FRN SNR MTN 02/2024 USD1000 SEDOL: BMFN4X8 750,000.000	750,000.00	REDEMPTION	750,000.00			0.00 0.00
02 Feb 24	NATIXIS N Y BRH 0.0% CP 02-02-2024 CUSIP: 63873JB25 950,000.000	950,000.00	REDEMPTION	950,000.00			0.00 0.00
06 Feb 24	FEDERAL HOME LN BK DISC NT 02-06-2024 CUSIP: 313384ST7 460,000.000	460,000.00	REDEMPTION	460,000.00			0.00 0.00
09 Feb 24	APPLE INC 3% DUE 02-09-2024 SEDOL: BDVPY57 750,000.000	750,000.00	REDEMPTION	750,000.00			0.00 0.00
12 Feb 24	NATIXIS N Y BRH DISC COML PAPER 3/A3 YR50% CP 02-12-2024 CUSIP: 63873JBC3 250,000.000	250,000.00	REDEMPTION	250,000.00			0.00 0.00

Corporate actions

For the period February 01, 2024 to February 29, 2024

Fixed Income

United States dollar

Ex date	Original security description / Asset id shares	Original cost	Change description	Payment amount	Resulting security description/Asset id shares	Resulting cost	Realized gain/loss market currency
13 Feb 24	CREDIT AGRICOLE CORPORATE & INVT BK NEW 0% CP 02-13-2024 CUSIP: 22533TBD7 250,000.000	250,000.00	REDEMPTION	250,000.00			0.00 0.00
14 Feb 24	FEDERAL HOME LN BK CONS DISC NTS 02-14-2024 SEDOL: BK1GXV8 1,000,000.000	1,000,000.00	REDEMPTION	1,000,000.00			0.00 0.00
14 Feb 24	TENNESSEE VALLEY AUTH DISC NTS 02-14-2024 CUSIP: 880592TB6 1,500,000.000	1,500,000.00	REDEMPTION	1,500,000.00			0.00 0.00
15 Feb 24	NATIXIS N Y BRH 0.0% CP 02-15-2024 CUSIP: 63873JBF6 340,000.000	340,000.00	REDEMPTION	340,000.00			0.00 0.00
15 Feb 24	UNITEDHEALTH GROUP 3.5% DUE 02-15-2024 SEDOL: BHSSPV0 750,000.000	750,000.00	REDEMPTION	750,000.00			0.00 0.00
16 Feb 24	NATIXIS N Y BRH 0% CP 02-16-2024 CUSIP: 63873JBG4 775,000.000	775,000.00	REDEMPTION	775,000.00			0.00 0.00
20 Feb 24	NATIXIS N Y BRH 0% CP 02-20-2024 CUSIP: 63873JBL3 775,000.000	775,000.00	REDEMPTION	775,000.00			0.00 0.00
22 Feb 24	FEDERAL FARM CREDIT FLTG RT 02-22-2024 SEDOL: BMW9NK9 893,000.000	893,000.00	REDEMPTION	893,000.00			0.00 0.00

Corporate actions

For the period February 01, 2024 to February 29, 2024

Fixed Income

United States dollar

Ex date	Original security description / Asset id shares	Original cost	Change description	Payment amount	Resulting security description/Asset id shares	Resulting cost	Realized gain/loss market currency
22 Feb 24	UNITED STATES OF AMER TREAS BILLS 0% T-BILL 02-22-2024 SEDOL: BMTY6F3 1,500,000.000	1,500,000.00	REDEMPTION	1,500,000.00			0.00 0.00
23 Feb 24	FEDERAL HOME LOAN BANK FRN 23FEB2024 SEDOL: BPCH8Q5 1,400,000.000	1,400,000.00	REDEMPTION	1,400,000.00			0.00 0.00
23 Feb 24	CP MUFG UNION BANK NA-ARRANGING BROKER 0% 23/02/2024 CUSIP: 62479LBP9 725,000.000	725,000.00	REDEMPTION	725,000.00			0.00 0.00
26 Feb 24	WESTPAC BANKING CORP 3.3% 26FEB2024 SEDOL: BGC1N03 750,000.000	750,000.00	REDEMPTION	750,000.00			0.00 0.00
28 Feb 24	FEDERAL HOME LOAN BANK 5.15% 28FEB2024 CALLABLE #0000 CUSIP: 3130AUY73 550,000.000	550,000.00	REDEMPTION	550,000.00			0.00 0.00
29 Feb 24	USA TREASURY BILL 0% 29FEB2024 SEDOL: BMGC3M6 1,150,000.000	1,150,000.00	REDEMPTION	1,150,000.00			0.00 0.00
Total United States dollar		17,068,000.00		17,068,000.00		0.00	0.00
Total Fixed Income		17,068,000.00		17,068,000.00		0.00	0.00
Total		17,068,000.00		17,068,000.00		0.00	0.00

Outstanding settlements

As of February 29, 2024

Trade date Settle date	Security description Asset ID	Shares/PAR	Cost local	Amount outstanding Cost USD	Current value USD
Acquisitions					
Fixed Income					
United States dollar					
29 Feb 24	FREDDIE MAC DISCOUNT NT 0% 30MAY2024	850,000.00	838,719.80	838,719.80	838,719.80
01 Mar 24	SEDOL: 3396XM0				
29 Feb 24	POTOMAC ELECTRIC POWER 3.6% 15MAR2024 CALLABLE	300,000.00	304,884.00	304,884.00	304,884.00
04 Mar 24	SEDOL: BLNMZC6				
29 Feb 24	USA TREASURY BILL 0% 18APR2024	600,000.00	595,778.00	595,778.00	595,778.00
01 Mar 24	SEDOL: BMHVN11				
Total United States dollar			1,739,381.80	1,739,381.80	1,739,381.80
Total Fixed Income				1,739,381.80	1,739,381.80
Total Acquisitions				1,739,381.80	1,739,381.80

Income receipts summary

For the period February 01, 2024 to February 29, 2024

Sector	Gross income	Tax withheld	Net income
Income			
Fixed Income			
United States dollar	93,184.49	0.00	93,184.49
Total Fixed Income	93,184.49	0.00	93,184.49
Liquidity			
United States dollar	265.28		265.28
Total Liquidity	265.28		265.28
Total Income	93,449.77	0.00	93,449.77
Total	93,449.77	0.00	93,449.77

Income receipts

For the period February 01, 2024 to February 29, 2024

Description	Asset ID	Ccy	Rate Shares/PAR	Gross income	Tax withheld	Net income
Income						
Fixed Income						
United States dollar						
APPLE INC 3% DUE 02-09-2024 Ex date: 09 Feb 24 / Pay date: 09 Feb 24	BDVPY57	USD	1.50 750,000.00	11,250.00	0.00	11,250.00
CREDIT SUISSE NY FRN SNR MTN 02/2024 USD1000 Ex date: 02 Feb 24 / Pay date: 02 Feb 24	BMFN4X8	USD	1.469928 750,000.00	11,024.46	0.00	11,024.46
FANNIE MAE 0.375% 25AUG2025 Ex date: 25 Feb 24 / Pay date: 25 Feb 24	BMZMR58	USD	0.1875 1,064,000.00	1,995.00	0.00	1,995.00
FANNIE MAE 0.5% 14AUG2025 (CALLABLE 14MAY24) Ex date: 14 Feb 24 / Pay date: 14 Feb 24	BMB2HV8	USD	0.25 1,200,000.00	3,000.00	0.00	3,000.00
FANNIE MAE 0.6% 29AUG2025 (CALLABLE 29AUG24) Ex date: 28 Feb 24 / Pay date: 28 Feb 24	BMVPGP4	USD	0.30 1,200,000.00	3,600.00	0.00	3,600.00
FEDERAL HOME LOAN BANK 5.15% 28FEB2024 CALLABLE #0000 Ex date: 28 Feb 24 / Pay date: 28 Feb 24	3130AUY73	USD	2.575 550,000.00	14,162.50	0.00	14,162.50
FEDERAL HOME LOAN BANK FRN 23FEB2024 Ex date: 23 Feb 24 / Pay date: 23 Feb 24	BPCH8Q5	USD	1.3985557 1,400,000.00	19,579.78	0.00	19,579.78
MARYLAND ST 0.51% 01AUG2024 Ex date: 01 Feb 24 / Pay date: 01 Feb 24	BK81Z54	USD	0.255 1,205,000.00	3,072.75	0.00	3,072.75
UNITEDHEALTH GROUP 3.5% DUE 02-15-2024 Ex date: 15 Feb 24 / Pay date: 15 Feb 24	BHSSPV0	USD	1.75 750,000.00	13,125.00	0.00	13,125.00
WESTPAC BANKING CORP 3.3% 26FEB2024 Ex date: 26 Feb 24 / Pay date: 26 Feb 24	BGC1N03	USD	1.65 750,000.00	12,375.00	0.00	12,375.00
Total United States dollar				93,184.49	0.00	93,184.49
Total Fixed Income				93,184.49	0.00	93,184.49

Income receipts

For the period February 01, 2024 to February 29, 2024

Description	Asset ID	Ccy	Rate Shares/PAR	Gross income	Tax withheld	Net income
Liquidity						
United States dollar						
STIF INTEREST		USD		265.06		265.06
STIF INTEREST		USD		0.22		0.22
Total United States dollar				265.28		265.28
Total Liquidity				265.28		265.28
Total Income				93,449.77	0.00	93,449.77
Total				93,449.77	0.00	93,449.77

Portfolio compliance report

As of February 29, 2024



Reference: Florida Insurance Guaranty Association Investment Policy
Approved: May 14, 2019

Description	Policy guidelines	Compliant
Allowable Assets	<ul style="list-style-type: none"> FIGA and its investment managers are not permitted to buy any fixed income securities to the extent that they require FIGA to be a Qualified Institutional Buyer, as defined by the United States Securities and Exchange Commission in Rule 144A under the Securities Act of 1933. Do not invest in non-USD securities 	<p>Yes</p> <p>Yes</p>
US Agency securities	<ul style="list-style-type: none"> Rating requirements: AA- / Aa3 / AA- Portfolio Limits: Min 20% NAV and Max 50% NAV Individual Issuer limit: Max 25% NAV 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
US Agency Mortgage-Backed Securities (MBS)	<ul style="list-style-type: none"> Rating requirements: AA- / Aa3 / AA- Portfolio Limits: Max 15% NAV Individual Issuer limit: Max 5% NAV Agency Mortgage Backed Securities (MBS) investments are limited to pass-through and agency issued collateralized mortgage obligations (CMO) securities issued by the GNMA, FNMA and FHLMC. GNMA is a U.S. Government Agency security while FNMA and FHLMC are GSE's. Allowable MBS investments do not include interest-only or principal-only CMOs, private label or other types of MBS. 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Commercial Paper	<ul style="list-style-type: none"> Rating requirements: A-1 / P-1 / F1 Portfolio Limits: Max 25% NAV Individual Issuer limit: Max 5% NAV Maturity: Less than 270 days 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Banker's Acceptance (BAs) or Certificates of Deposit (CDs)	<ul style="list-style-type: none"> Rating requirements: A-1 / P-1 / F1 Portfolio Limits: Max 15% NAV Individual Issuer limit: Max 5% NAV 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Money Market Funds	<ul style="list-style-type: none"> Rating requirements: AAA / Aaa / AAA Portfolio Limits: Max 25% NAV Individual Issuer limit: N/A 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
State and local governments	<ul style="list-style-type: none"> Rating requirements: A / A2 / A Portfolio Limits: Max 15% NAV Individual Issuer limit: Max 5% NAV 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Corporate obligations and Other Taxable Securities as defined in Appendix A Corporate Debt Securities	<ul style="list-style-type: none"> Rating requirements: A / A2 / A Portfolio Limits: Max 50% NAV Individual Issuer limit: Max 3% NAV 	<p>Yes</p> <p>Yes</p> <p>No¹</p>

Portfolio compliance report (continued)

As of February 29, 2024



Reference: Florida Insurance Guaranty Association Investment Policy
Approved: May 14, 2019

Description	Policy guidelines	Compliant
Repurchase Agreement collateralized at a minimum of 102% with U.S. Treasury or U.S. Agency Securities and marked-to-market daily	<ul style="list-style-type: none"> Rating requirements: A2 / A Portfolio Limits: Max 15% NAV Individual Issuer limit: Max 5% NAV 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Liquidity and Maturities	<ul style="list-style-type: none"> The maximum permitted final maturity for any security in the portfolio is five (5) years. The dollar weighted average maturity of the portfolio shall not exceed 730 days, calculated using the interest rate reset period for any VROs without a Demand Feature, and for VROs with a Demand Feature using the longer of the interest rate reset period or the time remaining until the Demand Feature could be exercised. The dollar weighted average maturity of the portfolio shall not exceed 910 days, calculated using the stated legal maturity for any VROs without a Demand Feature and for VROs with a Demand Feature using the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs. VROs without a Demand Feature shall not represent more than 25% of the Externally Managed Funds. Bank Instruments and Non-marketable Securities must have a maximum maturity of less than one year. Repurchase Agreements must have a maximum maturity of 30 days or less. 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Prohibited Assets	<p>Prohibited investments include, but are not limited to the following:</p> <ol style="list-style-type: none"> Options Limited Partnerships Venture-Capital Investments Real Estate Properties Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs Auction Rate Securities Asset-Backed Securities, including Asset-Backed Commercial Paper Non-Agency issued Mortgage-backed Securities (non-Agency MBS) or Collateralized Debt Obligations Derivatives Any and all security types not explicitly listed in this policy unless approved in 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Portfolio compliance report (continued)

As of February 29, 2024



Reference: Florida Insurance Guaranty Association Investment Policy
Approved: May 14, 2019

Description	Policy guidelines	Compliant
Prohibited Transactions	Prohibited transactions include, but are not limited to the following:	Yes
	1. Short Selling	Yes
	2. Securities Lending	Yes
	3. Reverse Repurchase Agreements	Yes
	4. Margin Transactions	Yes
	5. TBA Rolls	Yes
	6. Any and all transactions substantially similar, or used as an alternative to the above, unless approved in writing by the Board.	Yes

1 – As communicated on January 6th, 2023, due to a cash withdrawal on the portfolio, two corporate bonds exceed the 3% NAV limit.

- RBC Global Asset Management
-

Florida Insurance Guaranty Association

Monthly Report as of February 29, 2024

Table of contents

February 2024
Florida Insurance Guaranty Association

Investment summary	Page 3
Key market indicators	Page 4
Performance	Page 5
Portfolio characteristics	Page 7
Ratings changes	Page 9
Summary of transactions	Page 10
Purchases and sales	Page 11
Holdings	Page 12
Disclosures	Page 15

Investment summary

February 2024
Florida Insurance Guaranty Association

Portfolio Summary

Investment Strategy	US Ultra Short Duration Fixed Income
Vehicle	Separate Account
Currency	USD
Benchmark	Blended Benchmark
Inception Date	4.20.11
Investment Policy Date	4.9.21

Size of Investment

Beginning Value	\$30,221,235
Ending Value	\$30,336,875
Contributions (includes security transfers)	—
Withdrawals (includes security transfers)	—
Change in Value (Net of Contributions / Withdrawals)	\$115,640

Contact Team

Randal Harrison, CFA
Client Portfolio Manager
612-376-7121
randal.harrison@rbc.com



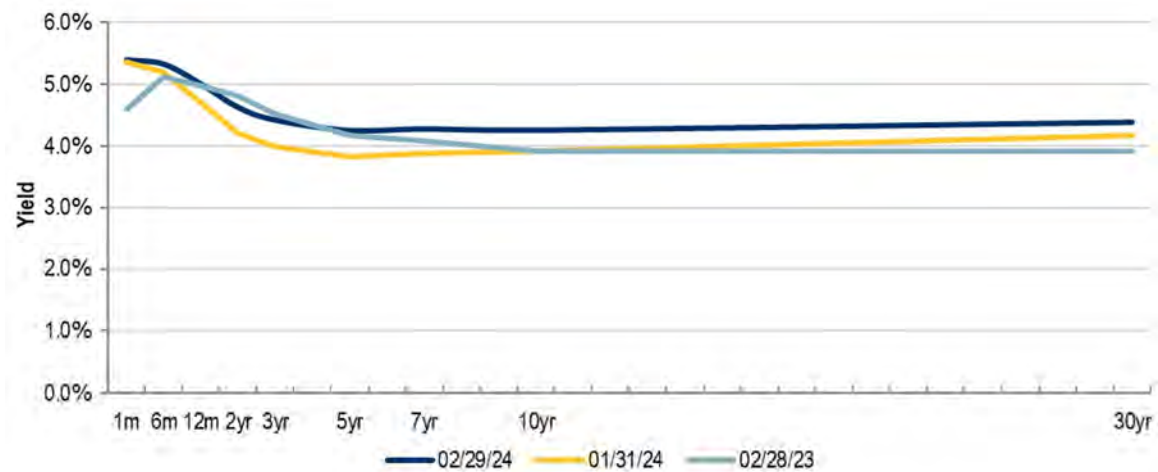
Chris Boppre, CFA
Client Portfolio Manager
612-323-5261
chris.boppre@rbc.com



Key market indicators

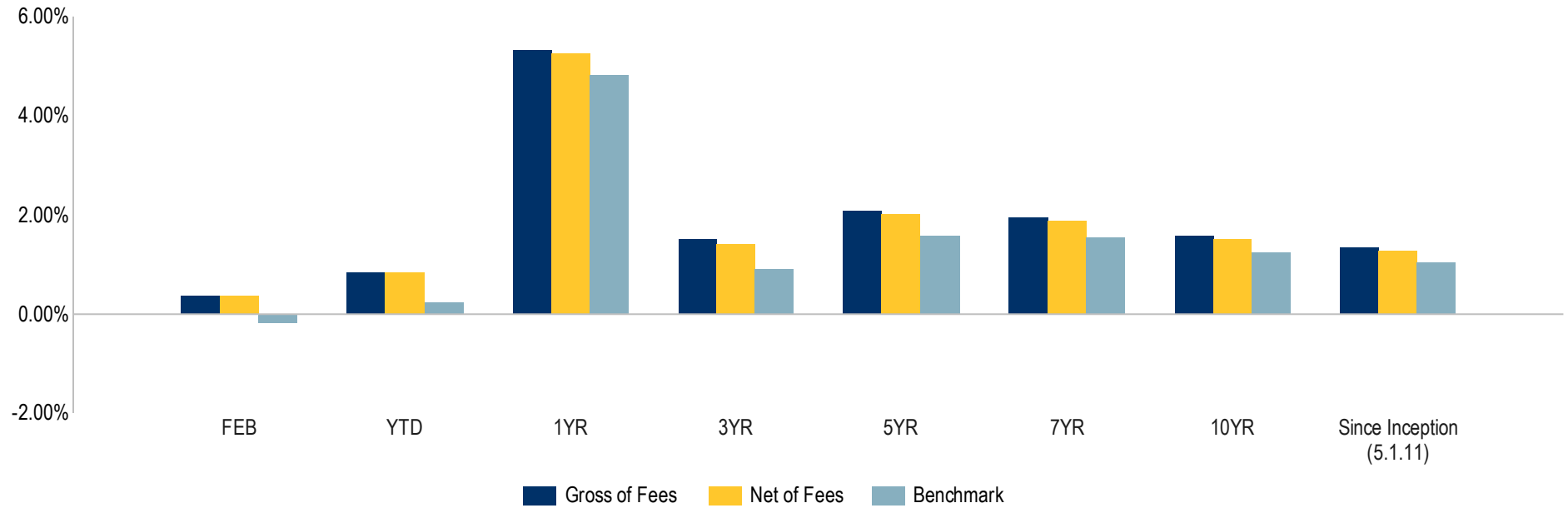
February 2024
Florida Insurance Guaranty Association

- US Treasury yields reversed course in February after a strong rally in December and January
- Over the month, the 2-year Treasury rose 41 bps to 4.62%, while the 10-year Treasury rose 34 bps to 4.25%
- The primary driver of the selloff in Treasuries was hotter than anticipated January CPI data
- Markets had been pricing a higher probability of rate cuts in 2024, but economic and inflation data has seen a re-evaluation of the timing and pace of those cuts
- The Federal Reserve has indicated they will be slow in their approach considering economic data remains positive and inflation has not yet reached their 2% target
- By the end of February, Markets had largely fallen in line with Fed expectations, pricing in 75bps of cuts by the end of the year



Performance

February 2024
Florida Insurance Guaranty Association

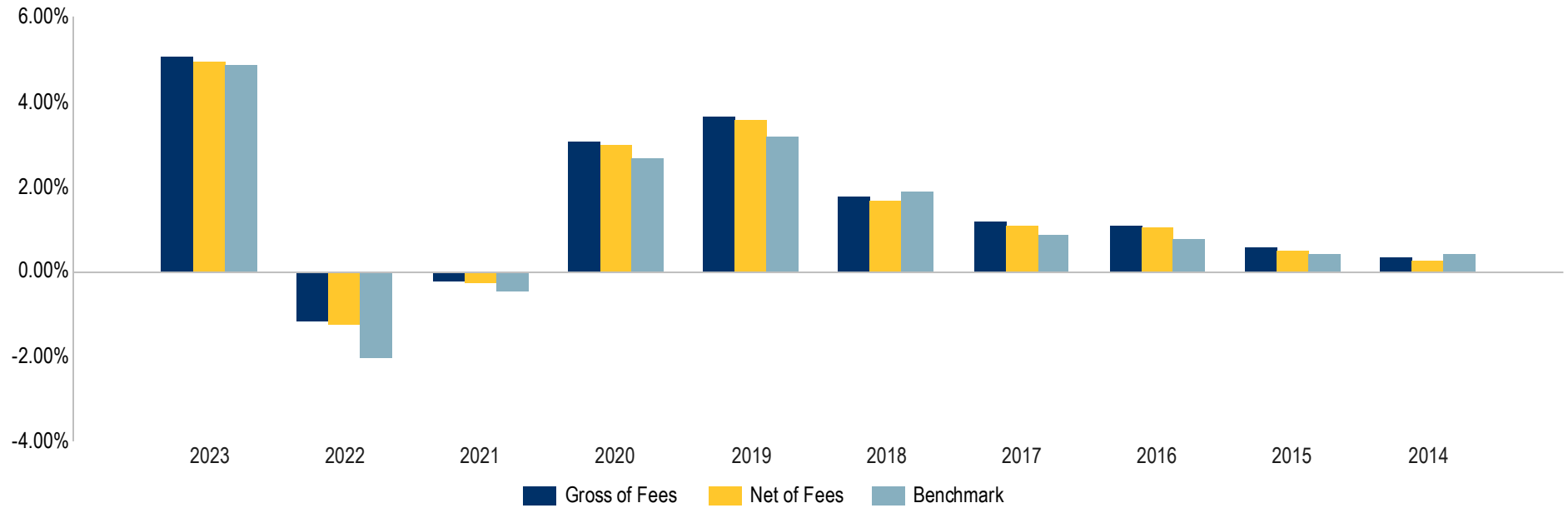


Returns (%)	FEB	YTD	1YR	3YR	5YR	7YR	10YR	SI
Gross of Fees	0.38	0.85	5.34	1.50	2.09	1.96	1.58	1.34
Net of Fees	0.38	0.83	5.25	1.42	2.01	1.88	1.51	1.27
Principal Return	0.33	0.72	4.19	0.28	0.55	0.36	0.18	0.13
Income Return	0.06	0.12	1.11	1.22	1.53	1.59	1.40	1.21
Benchmark ¹	-0.15	0.25	4.82	0.90	1.57	1.54	1.24	1.05

¹ 06/01/19-Current: 50% ICE BofA 1-5 Year AAA-AA US Corporate & Government Index, 25% ICE BofA 0-1 Year AAA-A US Corporate Index, 25% ICE BofA 0-3 Month US Treasury Bill Index; 05/01/16-05/31/19: 50% ICE BofA 1-3 Year AAA-AA US Corporate & Government Index, 50% ICE BofA 3 Month Libor Index; 05/01/11-04/30/16: 50% ICE BofA 1-3 Year US Treasury & Agency Index, 50% ICE BofA 3 Month Libor Index

Performance

February 2024
Florida Insurance Guaranty Association



Calendar Year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross of Fees	5.05	-1.16	-0.20	3.03	3.65	1.75	1.17	1.10	0.55	0.33
Net of Fees	4.96	-1.24	-0.27	2.96	3.58	1.68	1.10	1.03	0.48	0.25
Principal Return	3.89	-2.39	-1.59	1.15	1.38	-0.13	-0.31	-0.16	-0.48	-0.05
Income Return	1.12	1.26	1.41	1.87	2.24	1.88	1.48	1.26	1.04	0.37
Benchmark ¹	4.84	-2.02	-0.45	2.65	3.18	1.86	0.83	0.78	0.40	0.43

¹ 06/01/19-Current: 50% ICE BofA 1-5 Year AAA-AA US Corporate & Government Index, 25% ICE BofA 0-1 Year AAA-A US Corporate Index, 25% ICE BofA 0-3 Month US Treasury Bill Index; 05/01/16-05/31/19: 50% ICE BofA 1-3 Year AAA-AA US Corporate & Government Index, 50% ICE BofA 3 Month Libor Index; 05/01/11-04/30/16: 50% ICE BofA 1-3 Year US Treasury & Agency Index, 50% ICE BofA 3 Month Libor Index

Portfolio characteristics

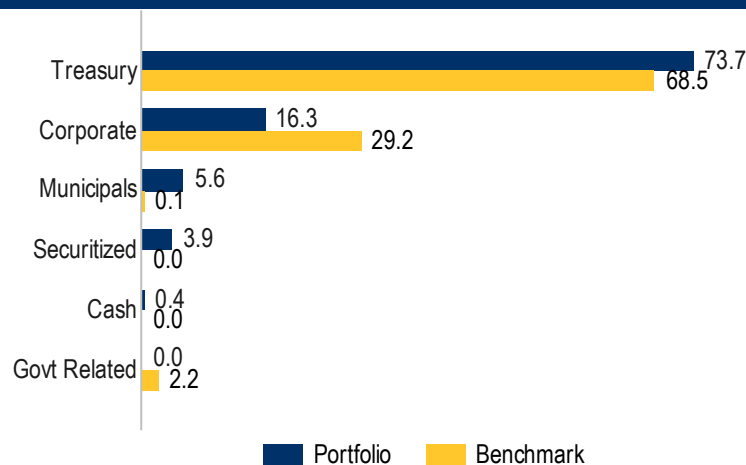
February 2024
Florida Insurance Guaranty Association

As of 12.31.23

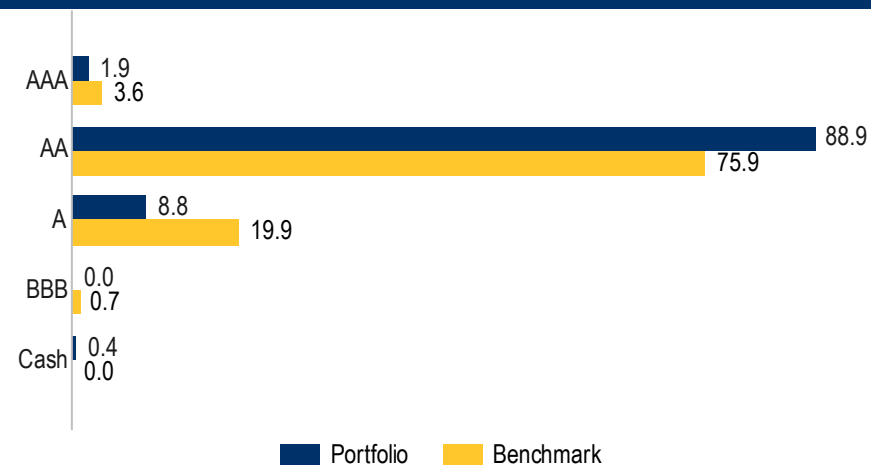
As of 2.29.24

	Portfolio	Benchmark	Portfolio	Benchmark
Effective duration	0.25 years	1.46 years	0.25 years	1.47 years
Spread duration	0.22 years	0.32 years	0.17 years	0.32 years
Market yield	5.25%	4.76%	5.08%	5.01%
Average credit quality	AA	AA	AA+	AA
Convexity	0.00	0.05	0.00	0.05

Sector Allocation (%)



Credit Quality (%)

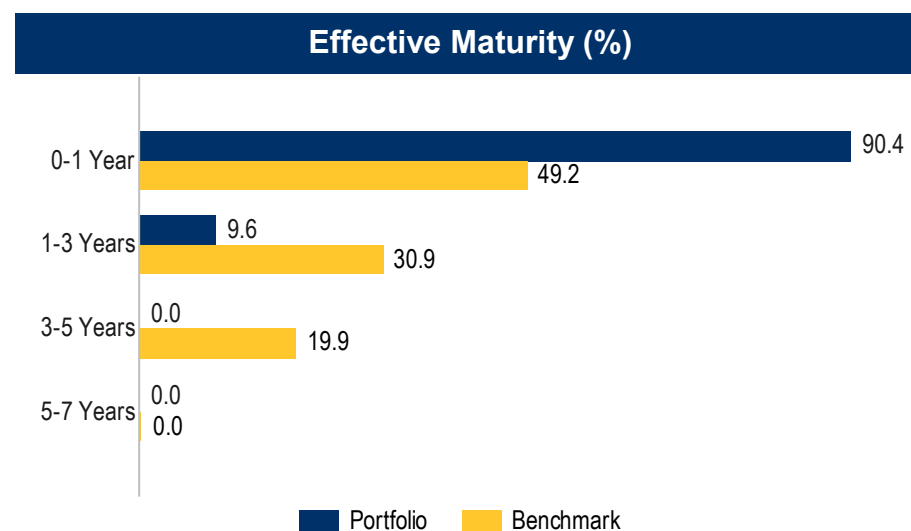
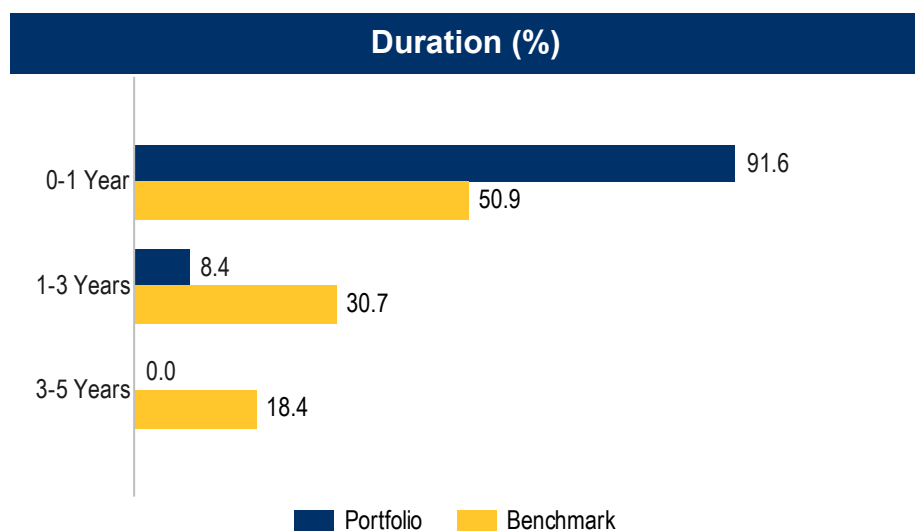


Benchmark: 50% ICE BofA 1-5 Year AAA-AA US Corporate & Government Index, 25% ICE BofA 0-1 Year AAA-A US Corporate Index, 25% ICE BofA 0-3 Month US Treasury Bill Index

Portfolio characteristics

February 2024
Florida Insurance Guaranty Association

Duration By Sector	As of 12.31.23			As of 2.29.24		
	Duration	Assets (%)	Contribution (%)	Duration	Assets (%)	Contribution (%)
Corporate	0.64 years	23.19	58.77	0.71 years	16.34	46.98
Municipals	0.79 years	7.20	22.29	0.81 years	5.60	18.24
Securitized	0.26 years	4.03	4.09	0.09 years	3.95	1.47
Treasury	0.06 years	64.88	14.86	0.11 years	73.72	33.31
Cash	0.00 years	0.70	0.00	0.00 years	0.39	0.00
Total	0.25 years	100.00	100.00	0.25 years	100.00	100.00



Rating changes

February 2024
Florida Insurance Guaranty Association

Quantity	Moody's/S&P/Fitch	Asset ID	Security Description	Coupon (%)	Maturity Date	% Assets	Rating Agency	Previous Rating	New Rating	Change Date
Upgrade										
630,000	A1 / A / A+	24422EUX5	John Deere Capital Corp	2.60	03/07/2024	2.08	Moody's	A2	A1	02/15/2024
Downgrade										
425,000	A3 / A- / A-	458140AS9	Intel Corp	3.70	07/29/2025	1.38	S&P	A	A-	02/09/2024
							Moody's	A2	A3	02/08/2024

Summary of transactions

February 2024
Florida Insurance Guaranty Association

Beginning Cash Balance	153,750.85
Buy	-21,323,564.61
Coupon	40,611.25
Income	1,499.62
Maturity	21,225,000.00
Paydown	19,618.53
Ending Cash Balance	116,915.64

Purchases and sales

February 2024
Florida Insurance Guaranty Association

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized ¹ Gain/Loss
Buy										
2/6/24	2/6/24	10,500,000	912797JL2	United States Treasury Bill	0.00	99.18	10,413,996.83	10,413,996.83	5.40	-
					4/2/24					
2/27/24	2/27/24	11,000,000	912797JP3	United States Treasury Bill	0.00	99.18	10,909,567.78	10,909,567.78	5.42	-
					4/23/24					
Subtotal							21,323,564.61	21,323,564.61		

¹ Gain/Loss is based on Amortized Cost.

Holdings

February 2024
Florida Insurance Guaranty Association

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost ¹	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Corporate											
A1 A/A+	630,000	24422EUX5	John Deere Capital Corp	2.60 3/7/24	630,000.00	629,996.02	3.98	7,917.00	0.02 0.02	2.64 2.57	2.10
A1 A/AA-	350,000	89114QCA4	Toronto-Dominion Bank	2.65 6/12/24	347,166.95	349,997.55	-2,830.60	2,035.35	0.28 0.29	2.65 5.49	1.15
A1 A+/A+	500,000	892331AF6	Toyota Motor Corp	2.36 7/2/24	494,554.82	500,000.00	-5,445.19	1,932.25	0.33 0.34	2.36 5.59	1.64
A2 A/A	525,000	438516BW5	Honeywell International Inc	2.30 8/15/24	517,284.57	524,896.23	-7,611.66	536.67	0.45 0.46	2.34 5.56	1.71
A1 A+/NA	275,000	69371RQ25	PACCAR Financial Corp	2.15 8/15/24	270,826.14	274,941.75	-4,115.61	262.78	0.45 0.46	2.20 5.52	0.89
Aa2 AA-/NA	500,000	30231GBC5	Exxon Mobil Corp	2.02 8/16/24	492,399.01	500,000.00	-7,601.00	420.63	0.45 0.46	2.02 5.37	1.62
Aaa AA+/NA	250,000	037833DM9	Apple Inc	1.80 9/11/24	245,495.21	249,937.47	-4,442.26	2,125.00	0.51 0.53	1.85 5.27	0.82
A1 A+/NA	250,000	69371RQ66	PACCAR Financial Corp	1.80 2/6/25	242,051.20	249,960.78	-7,909.58	312.50	0.91 0.94	1.82 5.33	0.80
Aa3 A+/NR	375,000	882508BH6	Texas Instruments Inc	1.38 3/12/25	360,715.48	374,881.66	-14,166.18	2,420.57	0.99 1.04	1.41 5.20	1.20
Aaa AA+/NA	350,000	037833DT4	Apple Inc	1.13 5/11/25	334,219.57	349,846.98	-15,627.41	1,203.13	1.16 1.20	1.16 5.03	1.11
A3 A-/A-	425,000	458140AS9	Intel Corp	3.70 7/29/25	416,258.79	438,438.43	-22,179.64	1,397.78	1.32 1.42	0.96 5.22	1.38
Aa3 AA-/A+	500,000	05253JAL5	Australia & New Zealand Banking Group Ltd/New York NY	3.70 11/16/25	488,993.72	521,257.47	-32,263.76	5,395.83	1.62 1.72	1.18 5.05	1.63

Holdings

February 2024
Florida Insurance Guaranty Association

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost ¹	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Corporate											
A2	100,000	74460DAG4	Public Storage Operating Co	1.50	91,333.62	99,916.26	-8,582.64	466.67	2.57	1.53	0.30
A/NA				11/9/26					2.69	4.97	
Subtotal					4,931,299.08	5,064,070.60	-132,771.55	26,426.16	0.71 0.75	1.92 4.97	16.34
Municipals											
Aa3	500,000	914716S97	University of North Carolina at Charlotte	0.63	498,134.58	500,000.00	-1,865.43	1,304.17	0.09	0.63	1.65
A+/NA				4/1/24					0.09	4.83	
NA	500,000	64990FA95	New York State Dormitory Authority	1.06	478,664.21	500,000.00	-21,335.80	2,448.50	1.00	1.06	1.59
AA+/AA+				3/15/25					1.04	5.32	
Aa3	178,824	072024XB3	Bay Area Toll Authority	0.88	170,894.82	178,824.00	-7,929.18	654.94	1.05	0.88	0.57
AA/AA				4/1/25					1.09	5.01	
Aa3	575,000	13032UXM5	California Health Facilities Financing Authority	0.95	546,855.79	575,000.00	-28,144.21	1,368.50	1.21	0.95	1.81
AA-/AA-				6/1/25					1.26	5.02	
Subtotal					1,694,549.40	1,753,824.00	-59,274.62	5,776.11	0.81 0.84	0.88 5.05	5.60
Securitized											
Aaa	1,000,000	3138LHQT4	Fannie Mae Pool (AN4965)	2.72	1,000,000.00	1,000,000.00	0.00	2,191.11	0.07	2.70	3.30
AA+/AA+				3/1/24					0.07	0.21	
Aaa	196,264	3136AKQM8	Fannie Mae-Aces	3.06	194,911.47	196,275.63	-1,364.16	499.82	0.22	3.00	0.64
AA+/AA+				6/1/24					0.23	5.27	
Subtotal					1,194,911.47	1,196,275.63	-1,364.16	2,690.93	0.09 0.10	2.75 1.04	3.95
Treasury											
Aaa	1,000,000	912797GQ4	United States Treasury Bill	0.00	999,123.33	999,121.50	1.83	0.00	0.02	5.30	3.29
AA+/AA+				3/7/24					0.02	5.26	



Holdings

February 2024
Florida Insurance Guaranty Association

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost ¹	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Treasury											
Aaa	10,500,000	912797JL2	United States Treasury Bill	0.00	10,450,680.98	10,450,855.33	-174.36	0.00	0.09	5.31	34.45
AA+/AA+				4/2/24					0.09	5.33	
Aaa	11,000,000	912797JP3	United States Treasury Bill	0.00	10,914,502.17	10,914,412.36	89.81	0.00	0.14	5.33	35.98
AA+/AA+				4/23/24					0.15	5.33	
Subtotal					22,364,306.48	22,364,389.19	-82.72	0.00	0.11	5.32	73.72
									0.12	5.33	
Cash & Equivalents											
	116,916	CASHUSD	US Dollar	0.00	116,915.64	116,915.64	0.00	0.00	0.00	5.20	0.39
									0.00	5.20	
Subtotal					116,915.64	116,915.64	0.00	0.00	0.00	5.20	0.39
									0.00	5.20	
Total					30,301,982.07	30,495,475.06	-193,493.05	34,893.20	0.25	4.41	100.00
									0.26	5.08	

¹ Cost and Gain/Loss are based on Amortized Cost.

Account Compliance Summary

Test Account **IGSF121TOP Florida Insurance Guaranty Association - Top A/C (USD)**
Manager **DUMMY_MANAGER**

Total Assets 30,340,159.36
Market Value 30,340,159.36
Net Assets 30,340,159.36

Test Concentrations

Category - Test - Bucket	Results Based on Positions plus Open Orders			Actual	Severity
Issuer, Obligor, Guarantor, Counterparty					
Maximum % of portfolio invested per Issuer of Commercial Paper (Upr Lmt:5.0)					
Zero Concentration				0.000	%
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36		
Maximum % of portfolio invested per Issuer of Municipal Debt (Upr Lmt:5.0)					
California Health Facilities Financing Authority				1.808	%
Position / Order Market Value	548,432.85	Acct Market Value	30,340,159.36		
University of North Carolina at Charlotte/The				1.647	%
Position / Order Market Value	499,592.36	Acct Market Value	30,340,159.36		
New York State Dormitory Authority				1.589	%
Position / Order Market Value	482,167.25	Acct Market Value	30,340,159.36		
Bay Area Toll Authority				0.566	%
Position / Order Market Value	171,747.99	Acct Market Value	30,340,159.36		
Maximum % of portfolio invested per Issuer of Bankers Acceptance (Upr Lmt:5.0)					
Zero Concentration				0.000	%
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36		
Maximum % of portfolio invested per Issuer of Corporate Obligations and Other Taxable Securities (Upr Lmt:3.0)					
Deere & Co				2.103	%
Position / Order Market Value	637,962.50	Acct Market Value	30,340,159.36		
Apple Inc				1.922	%
Position / Order Market Value	583,226.51	Acct Market Value	30,340,159.36		
Honeywell International Inc				1.708	%
Position / Order Market Value	518,221.93	Acct Market Value	30,340,159.36		
PACCAR Inc				1.693	%
Position / Order Market Value	513,640.46	Acct Market Value	30,340,159.36		
Toyota Motor Corp				1.637	%
Position / Order Market Value	496,728.18	Acct Market Value	30,340,159.36		
ANZ Group Holdings Ltd				1.631	%
Position / Order Market Value	494,752.18	Acct Market Value	30,340,159.36		
Exxon Mobil Corp				1.625	%
Position / Order Market Value	492,977.60	Acct Market Value	30,340,159.36		
Intel Corp				1.377	%
Position / Order Market Value	417,802.85	Acct Market Value	30,340,159.36		
Texas Instruments Inc				1.197	%
Position / Order Market Value	363,292.11	Acct Market Value	30,340,159.36		
Toronto-Dominion Bank/The				1.151	%

This report reveals information for only those accounts for which you have been assigned privileges.

Account Compliance Summary

Category - Test - Bucket	Results Based on Positions plus Open Orders		Actual	Severity
Position / Order Market Value	349,278.67	Acct Market Value	30,340,159.36	
Public Storage/new			0.303 %	
Position / Order Market Value	91,841.15	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested per Issuer of Certificates of Deposit (Upr Lmt:5.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested per Issuer of Mortgage Backed Securities (Upr Lmt:5.0)				
Federal National Mortgage Association			0.642 %	
Position / Order Market Value	194,800.68	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested per Issuer of Bank Notes (Upr Lmt:5.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36	
Margins & Premiums				
Prohibited Strategy: Margin (Upr Lmt:0.0)			0.000 Value	
Margin	0.00			
Maturity, Average Life				
Maximum weighted average maturity of the portfolio: 730 Days (Use Resets and Puts to Shorten) (Upr Lmt:730.0)			93.175 Days	
Maturity - Days	2,826,979,947.95	Position / Order Market Value	30,340,550.54	
Maximum weighted average maturity of the portfolio: 910 Days (Use Puts to Shorten) (Upr Lmt:910.0)			93.175 Days	
Maturity - Days	2,826,979,947.95	Position / Order Market Value	30,340,550.54	
Other Security Attribute				
Maximum % of portfolio invested in Variable Rate Obligations without Demand Features (Upr Lmt:25.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36	
Security				
Affiliated underwriting data test (Upr Lmt:0.0)				
Zero Concentration			0.000 Value	
Position / Order Market Value	0.00			
Security Types, Investment Classes				
Maximum % of portfolio invested in Corporate Securities (Upr Lmt:50.0)				
			16.347 %	
Position / Order Market Value	4,959,724.14	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested in Municipal Debt Securities (Upr Lmt:15.0)				
			5.610 %	
Position / Order Market Value	1,701,940.45	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested in Commercial Paper (Upr Lmt:25.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested in Bankers Acceptance and Certificates of Deposit (Upr Lmt:15.0)				
Zero Concentration			0.000 %	

This report reveals information for only those accounts for which you have been assigned privileges.

Account Compliance Summary

Category - Test - Bucket	Results Based on Positions plus Open Orders		Actual	Severity
Amortized Cost	0.00	Acct Market Value	30,340,159.36	
Maximum % of portfolio invested in Money Market Funds (Upr Lmt:25.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,340,159.36	
Minimum % of portfolio invested in U.S. Treasuries and Explicitly / Implicitly Backed Agencies (Lwr Lmt:20.0)				
			73.712 %	
Position / Order Market Value	22,364,478.75	Acct Market Value	30,340,159.36	
CFTC Monitoring for Regulatory Compliance (Upr Lmt:10.0)				
Zero Concentration			0.000 %	
Absolute Market Value	0.00	Acct Market Value	30,340,159.36	

Exclusion Tests

Category - Test - Security	Restricted Security	Violation Source	Severity
Broker			
Prohibited Broker: RBC Capital Markets and affiliates			
Country, Exchange, Foreign, Region			
Reputational Risk: Country on RBC's Restricted or High Risk List			
Prohibited Country: OFAC Restricted List			
Conditionally Approved: OFAC Sanctioned - RUSSIA & UKRAINE -			
Prohibited Country: RUSSIA			
CPL Broker Test			
PLACEMENT: UK Traders are not permitted to trade on Venue for RBC GAM US Accounts			
UK Traders are not permitted to trade on RBC GAM US Accounts			
CPL Country Test			
Not permitted to invest in companies whose operations originated on the US Treasury OFAC Prohibited Countries List: Cuba, Iran, North Korea, Sudan and Syria			
CPL Issuer/Security: Eligibility Test			
MIFID Pre Trade Fair Price must be provided for all in-scope orders			
Not permitted to invest in RBC or Affiliates			
Not permitted to trade Security IDs [Remove only when adjustments have been made]			
CPL Security Type: Eligibility Test			
Not a BlueBay Approved Instrument			
Illiquid, 144a, Private Placement, Restricted, et. al.			
Prohibited Investment: 4(2) Commercial Paper			
Prohibited Investment: 144A Securities or 3(c)(7) Commercial Paper (Client is not a Certified Qualified Institutional Buyer)			
Prohibited Investment: Illiquid Securities			
Issuer, Obligor, Guarantor, Counterparty			
Instruments of domestic or foreign banks and S&Ls must i) have capital, surplus, and undivided profits of over \$100M or ii) the principal amount of the instrument is insured by the BIF			
Prohibited Issuer: Communist Chinese Military Companies			
BlueBay Restricted Issuer			
Prohibited Issuer: Royal Bank of Canada			
Maturity, Average Life			
Maximum maturity for Bankers Acceptance and Certificates of Deposit: 1 Year			

This report reveals information for only those accounts for which you have been assigned privileges.

Account Compliance Summary

Maximum maturity for Commercial Paper: 270 Days

Maximum maturity for Any Security: 61 months

Maximum maturity for New Purchases: 90 days

Other Security Attribute

Prohibited Investment: Z-Tranches

Prohibited Investment: Principal Only & Interest Only Securities

Notice of pending expiration of LOC

Rating - Credit Quality

Minimum rating for Short Term Securities: A-1 (minimum 2 NRSO ratings)

Minimum rating for Long Term Securities: A (minimum 2 NRSO ratings) (F121 only)

Position Account IGSF121

INTC	INTC 3.7 07/29/25	Position	Alert
------	-------------------	----------	-------

Minimum rating for Agency Securities: AA- (minimum 2 NRSO ratings)

Security

Purchase of this security is prohibited

Purchase of this security is prohibited without approval from Sarah Jaimet or Mike Lee

Security Types, Investment Classes

Prohibited Investment: Venture Capital

Prohibited Investment: Limited Liability Companies (LLC) and Limited Partnerships (LP)

Prohibited Investment: Real Estate

Prohibited Investment: CBO, CDO, CLO or SIV

Prohibited Investment: TBAs

Prohibited Investment: Derivatives

Allowed Investments: US Government and Agency Issues, BA, BN, CD, CP, Corporate Debt, Money Market Funds, Municipals, Repurchase Agreements

Conditionally Approved Investment: Repurchase Agreements (No Signed Agreement)

Prohibited Investment: Asset Backed Securities (Except Agency Pass-throughs and SBA issued securities)

Conditionally Approved Investment: Money Market Mutual Funds

Trades in swaps are prohibited. This would require a new "swap firm" designation with the NFA/CFTC

New derivative types must be approved by Fixed Income Co-Heads. Inform Regulatory Compliance

Prohibited Investment: Liquid Deposit

Trade Attribute

GAM - No overselling

GAM - No Selling of Segregated Quantities

Order quantity is below the Minimum Increment for this security

Order quantity is below the Minimum Denomination for this security

Cross trade transactions must be reviewed and meet certain qualifications for the exemption of 17(a)7/ cross requirements. No cross trades allowed without RBC GAM US CCO approval.

Covers/shorts must be used when crossing zero in futures trades

Prohibited Strategy: Short Sales

Manual Tests

Category - Test	Severity
-----------------	----------

Rating - Credit Quality

IGSF121TOP

Downgrade Notification: If a security is downgraded after purchase, the position should be liquidated in a timely fashion and a written

This report reveals information for only those accounts for which you have been assigned privileges.

Account Compliance Summary

recommendation given to the client

Security Types, Investment Classes

IGSF121TOP

Prohibited Investment: Auction Rate Securities (Manual)

This report reveals information for only those accounts for which you have been assigned privileges.

° RBC Meeting Talking Point

Florida Insurance Guaranty Association Finance and Audit Committee Meeting

April 24, 2024

Chris Boppre, CFA
Client Portfolio Manager



Table of Contents

- I. Economy & Market Outlook
- II. Portfolio Review
- III. Compliance Summary

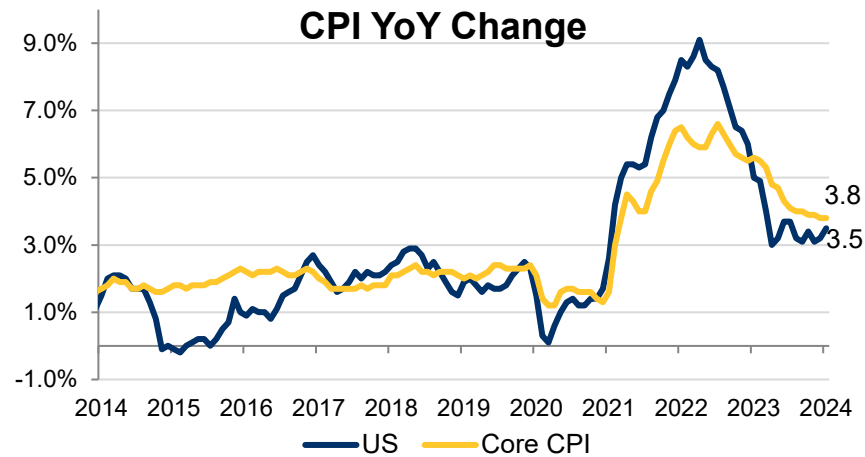
Economy & Market Review

Outlook

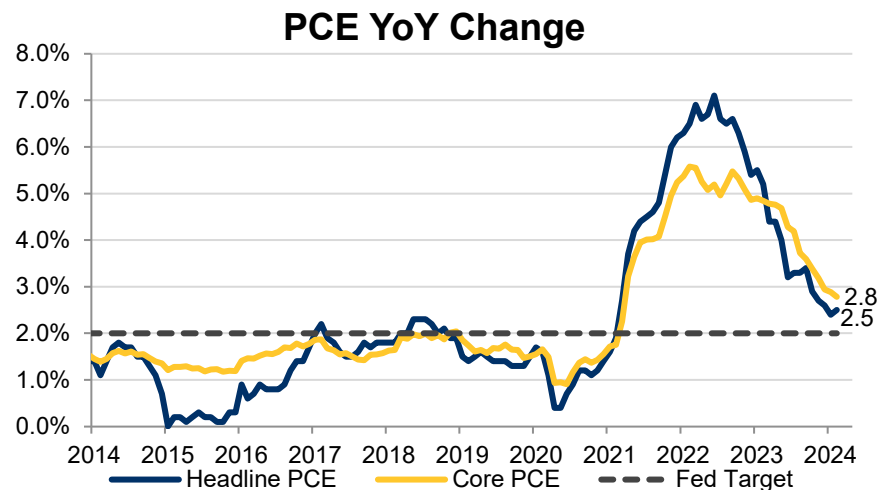
Economic activity remains positive but headwinds abound

- Inflation has moderated, but recent sticky data is showing how hard the final push may be toward the Fed's 2% target
- Uncertainty around the timing and path of the Fed have contributed to market volatility
- Robust US economic data continues to push off recession expectations
 - Labor continues to be resilient
 - Housing market has held up well with mortgage rates higher than they've been in over a decade
 - Consumer still strong
 - Our base case is that we'll still see a mild recession in later 2024/early 2025
- Secondary issues
 - Upcoming US elections
 - China's impact on global growth
 - Elevated geopolitical uncertainty
- Market volatility
 - Rates have likely peaked but anticipate elevated volatility around incoming data and markets determining path of Fed cuts
 - Risk assets can offer positive excess returns, but security selection will be paramount as pockets of weakness will offer caution
 - Volatility could present attractive entry points into risk

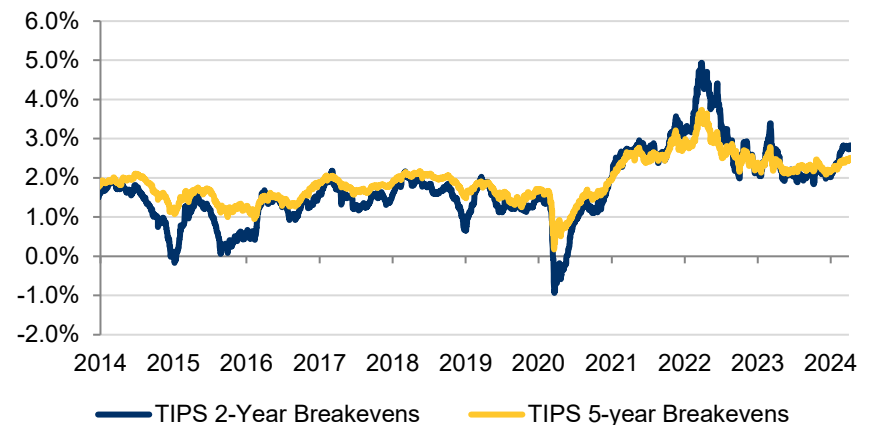
US Inflation



- US Headline inflation increased to 3.5% in March, above expectations
- Core CPI remained unchanged at 3.8% YoY, also above forecasts
- Inflation data so far in 2024 shows the challenge of moderating inflation toward the Fed's 2% target
- Continued upside surprises to start the year call into question the ability for the Fed to cut rates this year



US Inflation Expectations

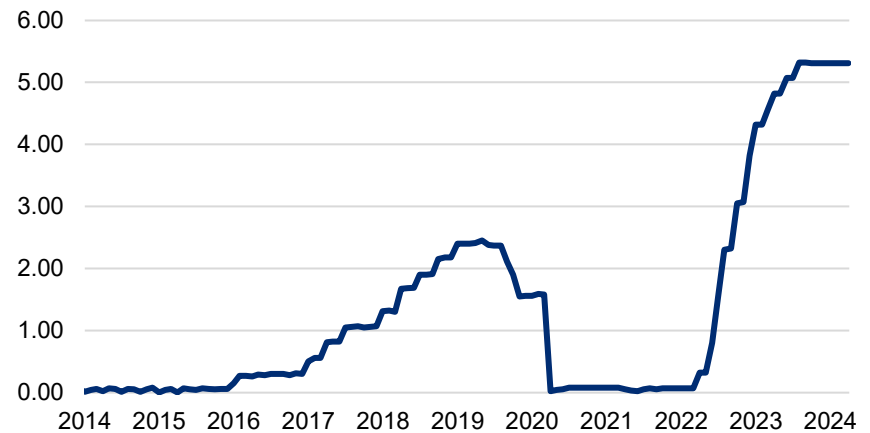


As of 4.10.24
Source: Bloomberg

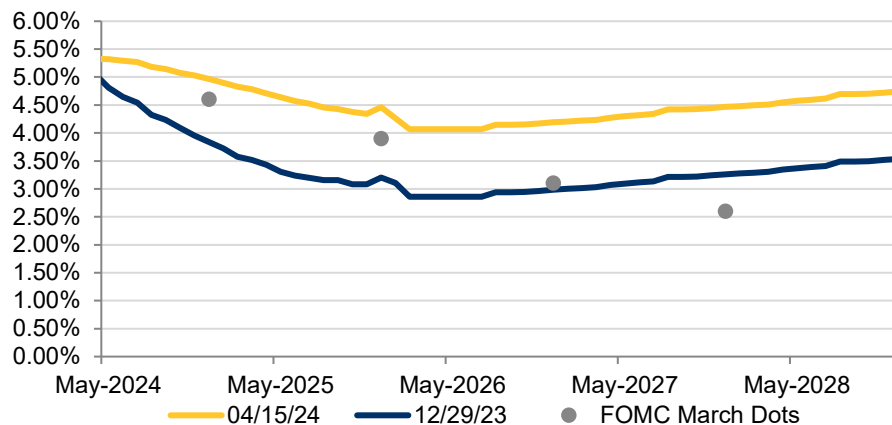
The Federal Reserve

- There is uncertainty around the timing and magnitude of any future cuts
- The Fed has remained committed to restrictive monetary policy to combat persistent inflation
- The current dot plot suggests 3 cuts for 2024, but continued robust economic data calls into question the need for cuts anytime soon

Fed Funds Rate



Market Expectations of Fed Cuts



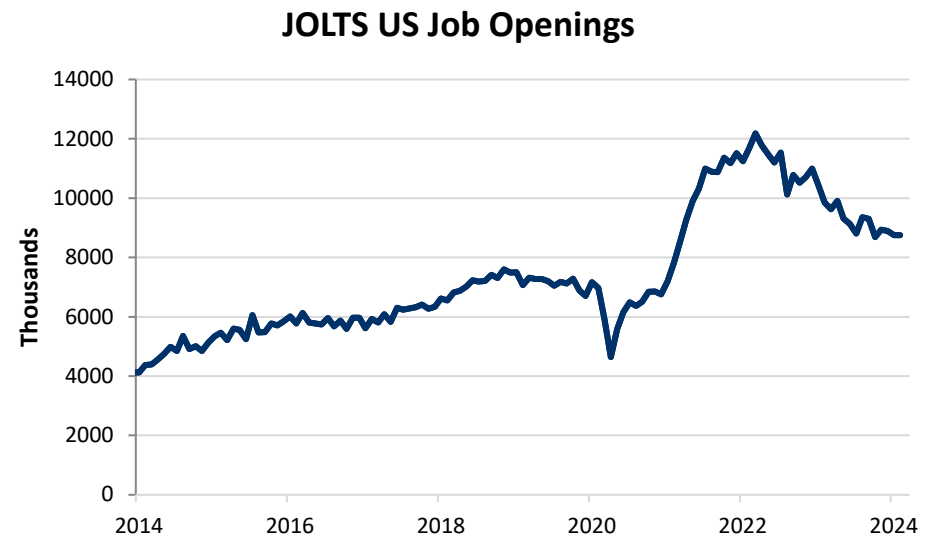
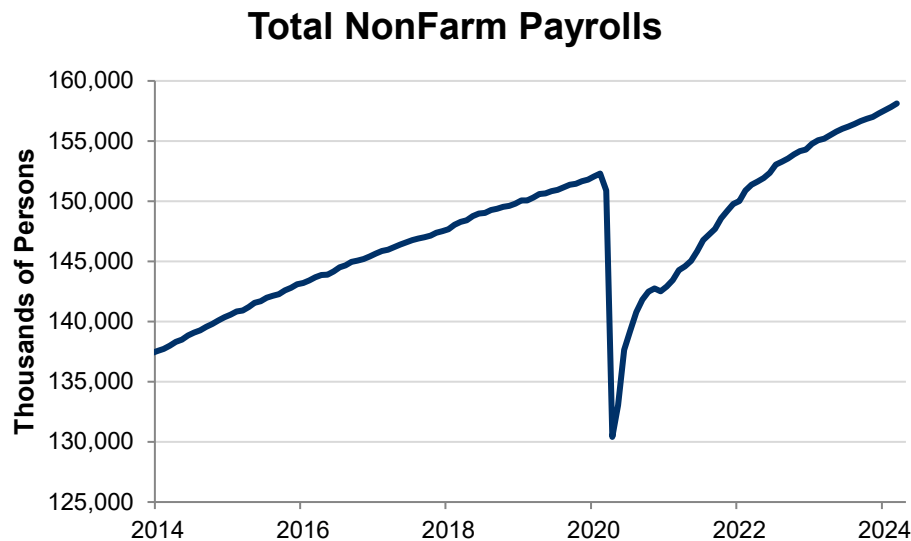
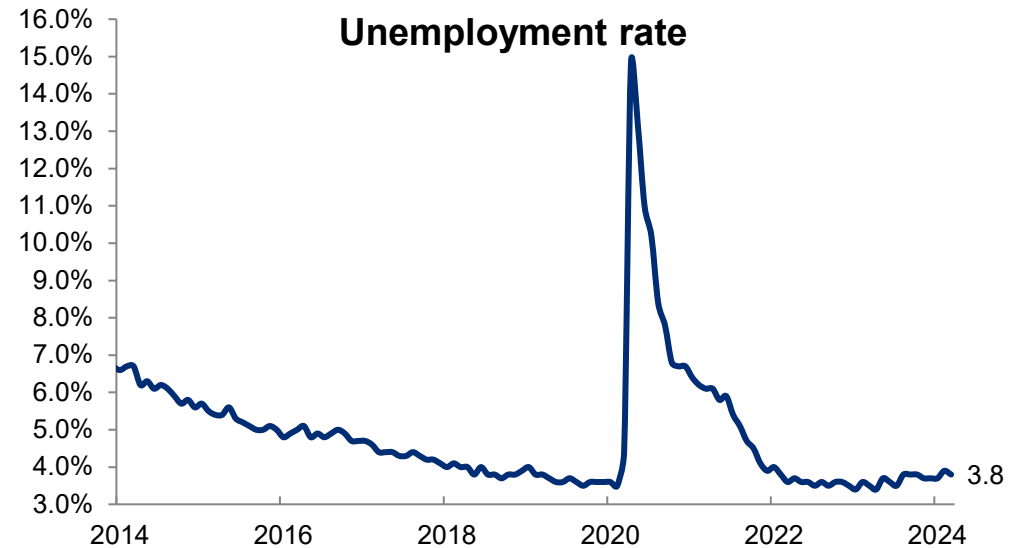
Fed Balance Sheet



As of 4.15.24
Source: Bloomberg, Federal Reserve, Fitch Ratings

Employment

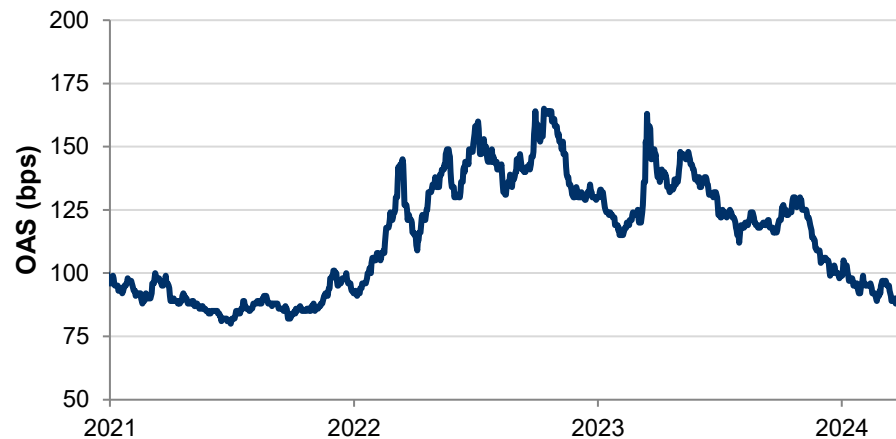
- Nonfarm payrolls added 303K jobs in March, above forecasts of 214k
- The unemployment rate decreased to 3.8% during the month
- The job market continues to hold strong in 2024 and will be closely monitored as the Fed considers rate cuts later in the year



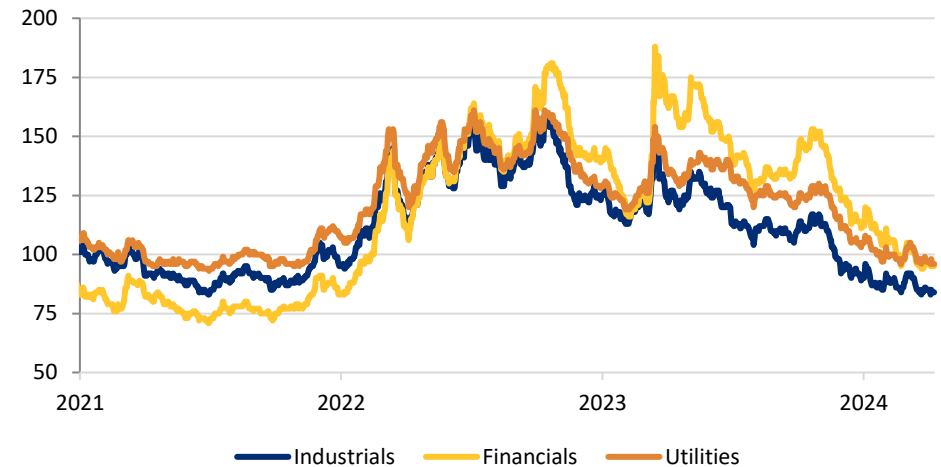
As of 4.8.24
Source: Bloomberg

Risk assets

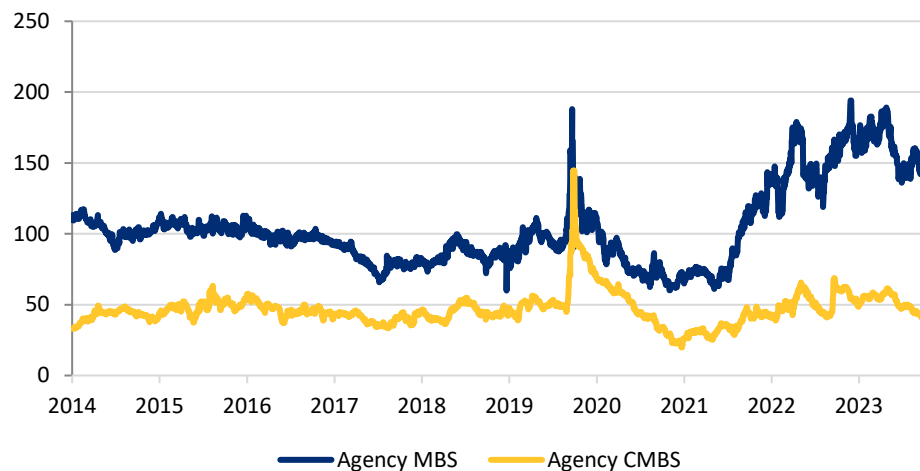
US IG Corporate Spreads



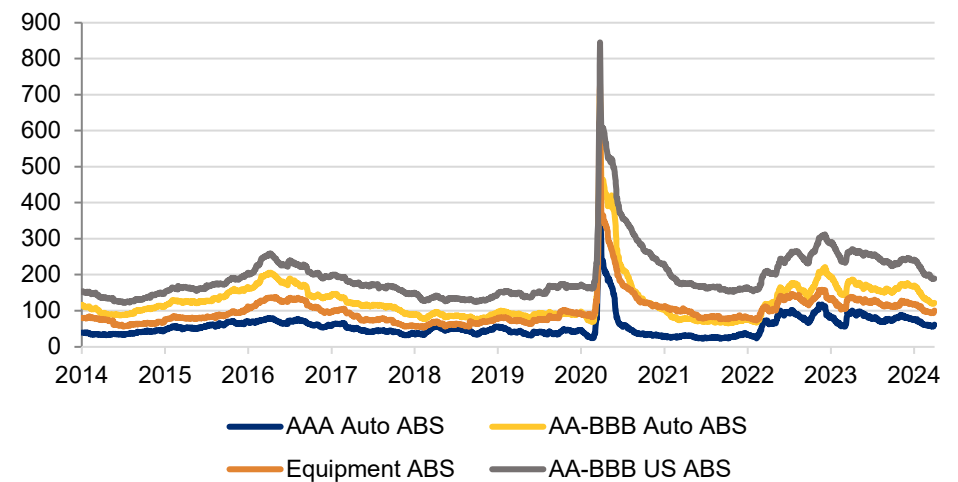
US IG Corporate Spreads



Agency MBS & CMBS Spreads

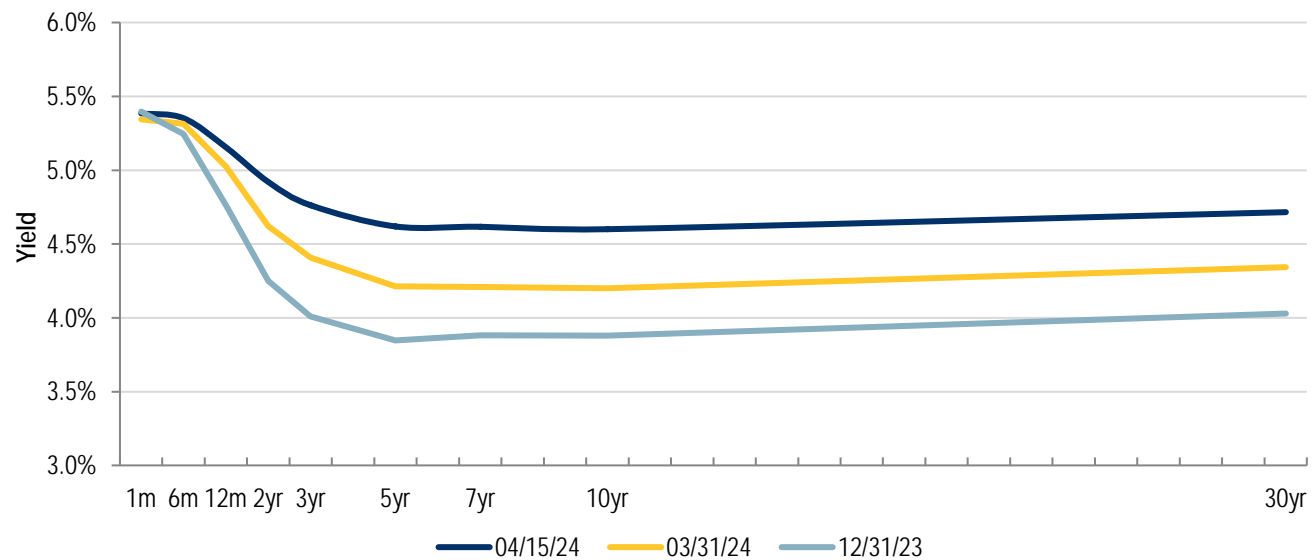
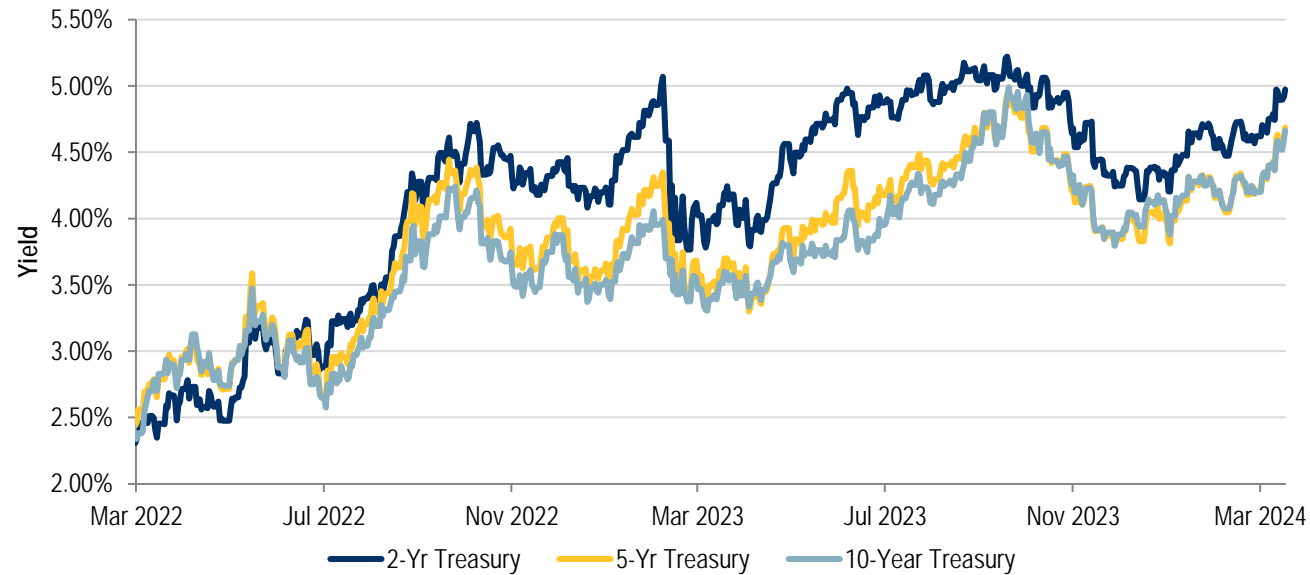


ABS Spreads



As of 3.31.24
Source: Bloomberg

U.S. Treasury Rates



As of 3.31.24
Source: Bloomberg

Portfolio Review

Portfolio Performance

Florida Insurance Guaranty Association

	March 2024	Q1 2024	1 Year	3 Year	5 Year	10 Year	Since Inception (5.1.11)
Total Portfolio (Gross of Fees)	0.44	1.29	5.10	1.67	2.09	1.63	1.37
Total Portfolio (Net of Fees)	0.44	1.27	5.00	1.58	2.01	1.56	1.29
Principal Return	0.40	1.13	4.01	0.47	0.57	0.23	0.16
Income Return	0.04	0.16	1.04	1.19	1.51	1.40	1.21
Blended Benchmark*	0.41	0.67	4.00	1.05	1.57	1.29	1.08

***Linked Benchmark History:**

6.1.19 – Current

50% ICE BofAML 1-5 Yr AAA-AA US Corporate & Government

25% ICE BofAML 0-1 Yr AAA-A US Corporate

25% ICE BofAML 0-3 month Treasury Bill

5.1.16 – 5.31.19

50% ICE BofAML 1-3 Yr Corporate & Government AA & Higher

50% ICE BofAML 3 month LIBOR

5.1.11 - 4.30.16

50% ICE BofAML 1-3 Yr Government

50% ICE BofAML 3 month LIBOR

As of 03.31.24; Source: RBC GAM, ICE Data Services

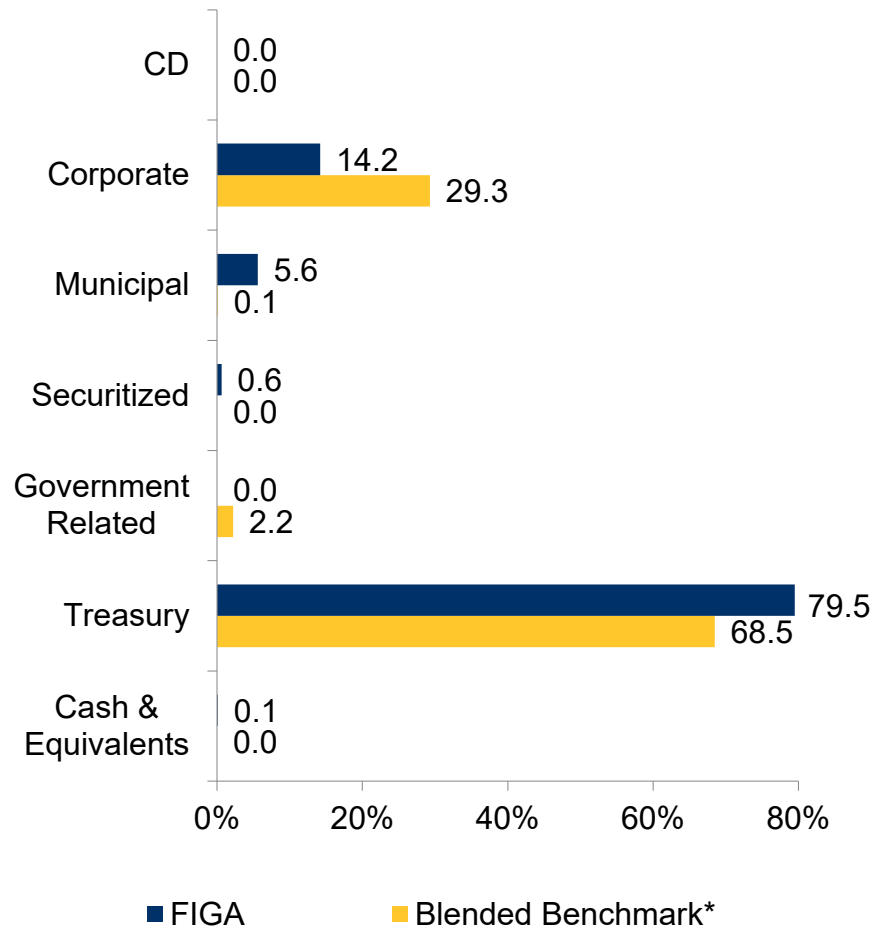
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.

Portfolio Characteristics

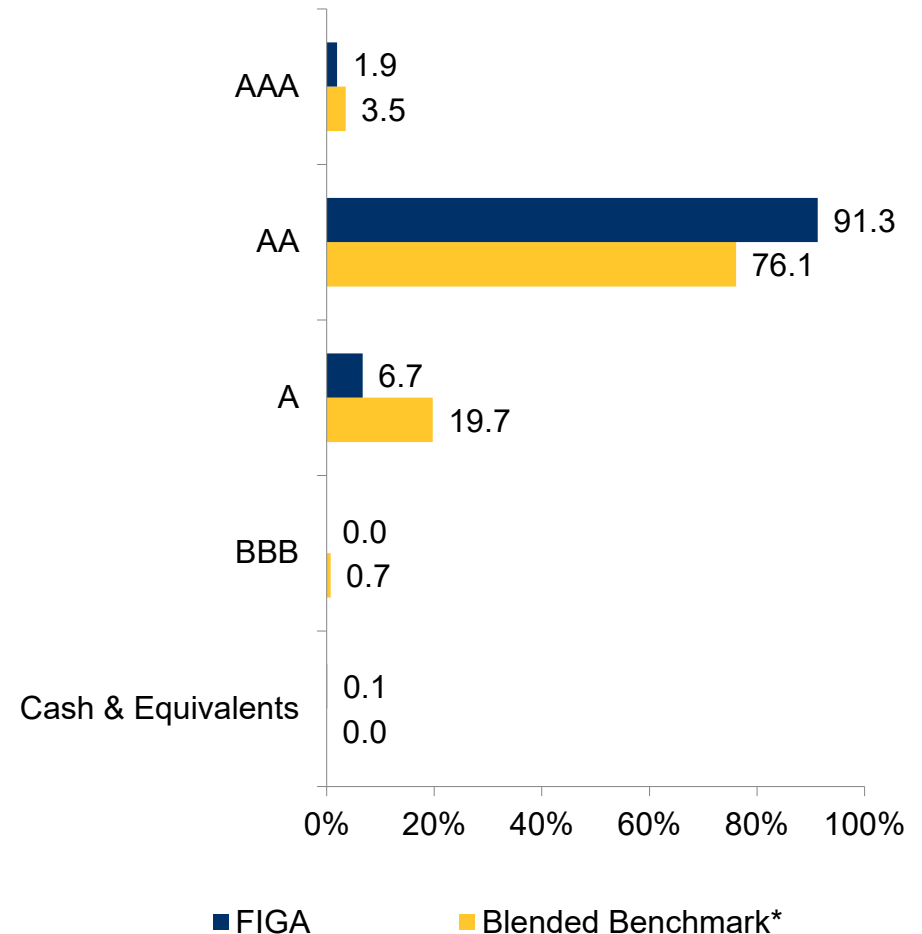
Florida Insurance Guaranty Association

Market Value: \$30,471,284

Sector Distribution



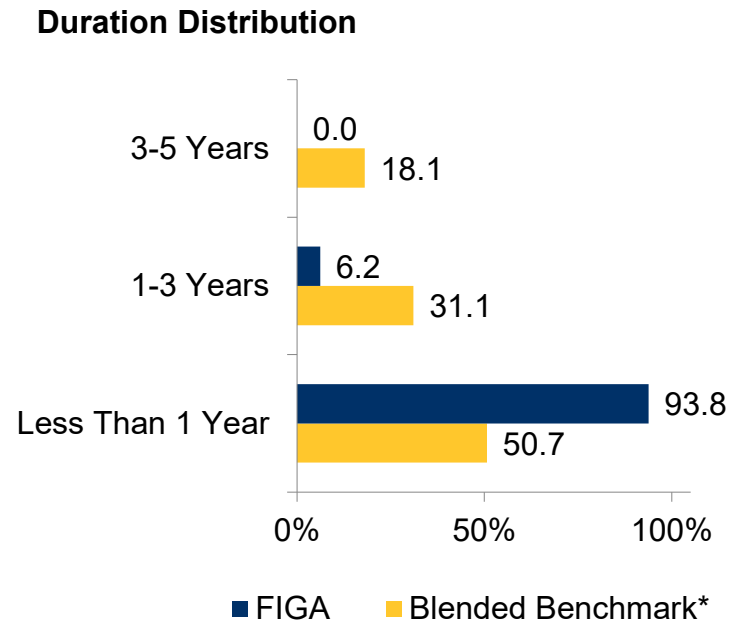
Credit Quality Distribution



**Blended Benchmark is based on a blend of 50% of ICE BofAML 1-5 Yr AAA-AA US Corporate & Government, 25% ICE BofAML 0-1 Yr AAA-A US Corporate, 25% ICE BofAML 0-3 Month US Treasury Bill As of 03.31.24; Source: RBC GAM, ICE Data Services*

Portfolio Characteristics

Florida Insurance Guaranty Association



Characteristics	FIGA	Blended Benchmark*
Effective Duration	0.18 years	1.48 years
Market Yield	5.23%	4.97%
Average Quality	AA+	AA

**Blended Benchmark is based on a blend of 50% of ICE BofAML 1-5 Yr AAA-AA US Corporate & Government, 25% ICE BofAML 0-1 Yr AAA-A US Corporate, 25% ICE BofAML 0-3 Month US Treasury Bill
As of 03.31.24; Source: RBC GAM, ICE Data Services*

Stress Test Analysis – March 2024

Florida Insurance Guaranty Association

		Instantaneous Interest Rate Increases					
Market Value	Eff. Duration	25 bp Rate Shock (%)	25 bp Rate Shock (\$)	50 bp Rate Shock (%)	50 bp Rate Shock (\$)	100 bp Rate Shock (%)	100 bp Rate Shock (\$)
30,444,147.38	0.18	-0.04%	-13,696.05	-0.09%	-27,392	-0.18%	-54,784

Spreads Widen				
Spread Duration	25 bp Spread Shock (%)	25 bp Spread Shock (\$)	50 bp Spread Shock (%)	50 bp Spread Shock (\$)
0.15	-0.04%	-11,163	-0.07%	-22,326

Liquidation Gain/Loss				
Realized G/L	25 bp Curve (Realized G/L)	50 bp Curve (Realized G/L)	25 bp Spread Shock (Realized G/L)	50 bp Spread Shock (Realized G/L)
-175,149.70	-188,846	-202,542	-186,312	-197,475

Notes: The first portion of the report reflects instantaneous interest rate changes of 25, 50, and 100 basis points and the impact of those changes on the valuation of the portfolio vs. current market value. The second section of the report reflects changes in spreads of 25 and 50 basis points. The third section reflects a full liquidation at current market valuations as well as immediately after a 25 and 50 basis point upward shift in interest rates and spreads.

Compliance Summary

Compliance Summary

Florida Insurance Guaranty Association

- The portfolio managed by RBC GAM was in compliance with FIGA's investment policy as of March 2024 with the exception of one holding (Intel Corp) which was downgraded in February below the required minimum rating. RBC notified FIGA of this downgrade and received approval to continue to hold the security.

Detailed Compliance Report

Florida Insurance Guaranty Association

Charles River

A 500-Series Company

Account Compliance Summary

Test Account

IGSF121TOP Florida Insurance Guaranty Association - Top A/C (USD)

Manager

DUMMY_MANAGER

Total Assets

30,458,951.97

Market Value

30,458,951.97

Net Assets

30,458,951.97

Test Concentrations

Category - Test - Bucket	Results Based on Positions plus Open Orders		Actual	Severity
Issuer, Obligor, Guarantor, Counterparty				
Maximum % of portfolio invested per Issuer of Commercial Paper (Upr Lmt:5.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97	
Maximum % of portfolio invested per Issuer of Municipal Debt (Upr Lmt:5.0)				
California Health Facilities Financing Authority			1.807 %	
Position / Order Market Value	550,485.03	Acct Market Value	30,458,951.97	
New York State Dormitory Authority			1.580 %	
Position / Order Market Value	481,193.90	Acct Market Value	30,458,951.97	
Bay Area Toll Authority			0.583 %	
Position / Order Market Value	171,631.06	Acct Market Value	30,458,951.97	
University of North Carolina at Charlotte/The			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97	
Maximum % of portfolio invested per Issuer of Bankers Acceptance (Upr Lmt:5.0)				
Zero Concentration			0.000 %	
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97	
Maximum % of portfolio invested per Issuer of Corporate Obligations and Other Taxable Securities (Upr Lmt:3.0)				
Apple Inc			1.915 %	
Position / Order Market Value	583,181.09	Acct Market Value	30,458,951.97	
Honeywell International Inc			1.709 %	
Position / Order Market Value	520,539.95	Acct Market Value	30,458,951.97	
PACCAR Inc			1.894 %	
Position / Order Market Value	515,970.34	Acct Market Value	30,458,951.97	
Toyota Motor Corp			1.638 %	
Position / Order Market Value	498,957.56	Acct Market Value	30,458,951.97	
ANZ Group Holdings Ltd			1.631 %	
Position / Order Market Value	496,870.63	Acct Market Value	30,458,951.97	

Detailed Compliance Report

Florida Insurance Guaranty Association

Exxon Mobil Corp			1.826 %
Position / Order Market Value	495,242.99	Acct Market Value	30,458,951.97
Intel Corp			1.378 %
Position / Order Market Value	419,688.87	Acct Market Value	30,458,951.97
Texas Instruments Inc			1.189 %
Position / Order Market Value	362,294.18	Acct Market Value	30,458,951.97
Toronto-Dominion Bank/The			1.152 %
Position / Order Market Value	350,821.52	Acct Market Value	30,458,951.97
Public Storage/new			0.303 %
Category - Test - Bucket Results Based on Positions plus Open Orders Actual Severity			
Position / Order Market Value	92,424.45	Acct Market Value	30,458,951.97
Maximum % of portfolio invested per Issuer of Certificates of Deposit (Upr Lmt:5.0)			
Zero Concentration			0.000 %
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97
Maximum % of portfolio invested per Issuer of Mortgage Backed Securities (Upr Lmt:5.0)			
Federal National Mortgage Association			0.594 %
Position / Order Market Value	180,891.38	Acct Market Value	30,458,951.97
Maximum % of portfolio invested per Issuer of Bank Notes (Upr Lmt:5.0)			
Zero Concentration			0.000 %
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97
Margins & Premiums			
Prohibited Strategy: Margin (Upr Lmt:0.0)			0.000 Value
Margin	0.00		
Maturity, Average Life			
Maximum weighted average maturity of the portfolio: 730 Days (Use Resets and Puts to Shorten) (Upr Lmt:730.0)			65,457 Days
Maturity - Days	1,993,869,521.45	Position / Order Market Value	30,460,738.00
Maximum weighted average maturity of the portfolio: 910 Days (Use Puts to Shorten) (Upr Lmt:910.0)			65,457 Days
Maturity - Days	1,993,869,521.45	Position / Order Market Value	30,460,738.00
Other Security Attribute			
Maximum % of portfolio invested in Variable Rate Obligations without Demand Features (Upr Lmt:25.0)			
Zero Concentration			0.000 %
Position / Order Market Value	0.00	Acct Market Value	30,458,951.97
Security			
Affiliated underwriting data test (Upr Lmt:0.0)			
Zero Concentration			0.000 Value
Position / Order Market Value	0.00		

Detailed Compliance Report

Florida Insurance Guaranty Association

Security Types, Investment Classes

Maximum % of portfolio invested in Corporate Securities (Upr Lmt:50.0)

Position / Order Market Value	4,335,991.58	Acct Market Value	30,458,951.97	14.236 %
-------------------------------	--------------	-------------------	---------------	----------

Maximum % of portfolio invested in Municipal Debt Securities (Upr Lmt:15.0)

Position / Order Market Value	1,203,309.99	Acct Market Value	30,458,951.97	3.951 %
-------------------------------	--------------	-------------------	---------------	---------

Maximum % of portfolio invested in Commercial Paper (Upr Lmt:25.0)

Zero Concentration 0.000 %

Position / Order Market Value	0.00	Acct Market Value	30,458,951.97
-------------------------------	------	-------------------	---------------

Maximum % of portfolio invested in Bankers Acceptance and Certificates of Deposit (Upr Lmt:15.0)

Zero Concentration 0.000 %

Amortized Cost	0.00	Acct Market Value	30,458,951.97
----------------	------	-------------------	---------------

Category - Test - Bucket	Results Based on Positions plus Open Orders	Actual	Severity
--------------------------	---	--------	----------

Maximum % of portfolio invested in Money Market Funds (Upr Lmt:25.0)

Zero Concentration 0.000 %

Position / Order Market Value	0.00	Acct Market Value	30,458,951.97
-------------------------------	------	-------------------	---------------

Minimum % of portfolio invested in U.S. Treasuries and Explicitly / Implicitly Backed Agencies (Lwr Lmt:20.0)

Position / Order Market Value	24,220,311.14	Acct Market Value	30,458,951.97	79.518 %
-------------------------------	---------------	-------------------	---------------	----------

CFTC Monitoring for Regulatory Compliance (Upr Lmt:10.0)

Zero Concentration 0.000 %

Absolute Market Value	0.00	Acct Market Value	30,458,951.97
-----------------------	------	-------------------	---------------

Exclusion Tests

Category - Test - Security	Restricted Security	Violation Source	Severity
----------------------------	---------------------	------------------	----------

Broker

Prohibited Broker: RBC Capital Markets and affiliates

Country, Exchange, Foreign, Region

Reputational Risk: Country on RBC's Restricted or High Risk List

Prohibited Country: OFAC Restricted List

Conditionally Approved: OFAC Sanctioned - RUSSIA & UKRAINE -

Prohibited Country: RUSSIA

Detailed Compliance Report

Florida Insurance Guaranty Association

CPL Broker Test

PLACEMENT: UK Traders are not permitted to trade on Venue for RBC GAM US Accounts

UK Traders are not permitted to trade on RBC GAM US Accounts

CPL Country Test

Not permitted to invest in companies whose operations originated on the US Treasury OFAC Prohibited Countries List: Cuba, Iran, North Korea, Sudan and Syria

CPL Issuer/Security: Eligibility Test

MIFID Pre Trade Fair Price must be provided for all in-scope orders

Not permitted to invest in RBC or Affiliates

Not permitted to trade Security IDs [Remove only when adjustments have been made]

CPL Security Type: Eligibility Test

Not a BlueBay Approved Instrument

Illiquid, 144a, Private Placement, Restricted, et. al.

Prohibited Investment: 4(2) Commercial Paper

Prohibited Investment: 144A Securities or 3(c)(7) Commercial Paper (Client is not a Certified Qualified Institutional Buyer)

Prohibited Investment: Illiquid Securities

Issuer, Obligor, Guarantor, Counterparty

Instruments of domestic or foreign banks and S&Ls must i) have capital, surplus, and undivided profits of over \$100M or ii) the principal amount of the instrument is insured by the BIF

Prohibited Issuer: Communist Chinese Military Companies

BlueBay Restricted Issuer

Prohibited Issuer: Royal Bank of Canada

Maturity, Average Life

Maximum maturity for Bankers Acceptance and Certificates of Deposit: 1 Year

Maximum maturity for Commercial Paper: 270 Days

Maximum maturity for Any Security: 61 months

Maximum maturity for New Purchases: 90 days

Other Security Attribute

Prohibited Investment: Z-Tranches

Prohibited Investment: Principal Only & Interest Only Securities

Notice of pending expiration of LOC

Rating - Credit Quality

Minimum rating for Short Term Securities: A-1 (minimum 2 NRSO ratings)

Minimum rating for Long Term Securities: A (minimum 2 NRSO ratings) (F121 only)

Position Account IGSF121

INTC INTC 3.7 07/29/25

Minimum rating for Agency Securities: AA- (minimum 2 NRSO ratings)

Position

Alert

Detailed Compliance Report

Florida Insurance Guaranty Association

Security

Purchase of this security is prohibited

Purchase of this security is prohibited without approval from Sarah Jaimet or Mike Lee

Security Types, Investment Classes

Prohibited Investment: Venture Capital

Prohibited Investment: Limited Liability Companies (LLC) and Limited Partnerships (LP)

Prohibited Investment: Real Estate

Prohibited Investment: CBO, CDO, CLO or SIV

Prohibited Investment: TBAs

Prohibited Investment: Derivatives

Allowed Investments: US Government and Agency Issues, BA, BN, CD, CP, Corporate Debt, Money Market Funds, Municipals, Repurchase Agreements

Conditionally Approved Investment: Repurchase Agreements (No Signed Agreement)

Prohibited Investment: Asset Backed Securities (Except Agency Pass-throughs and SBA issued securities)

Conditionally Approved Investment: Money Market Mutual Funds

Trades in swaps are prohibited. This would require a new "swap firm" designation with the NFA/CFTC

New derivative types must be approved by Fixed Income Co-Heads. Inform Regulatory Compliance

Prohibited Investment: Liquid Deposit

Trade Attribute

GAM - No overselling

GAM - No Selling of Segregated Quantities

Order quantity is below the Minimum Increment for this security

Order quantity is below the Minimum Denomination for this security

Cross trade transactions must be reviewed and meet certain qualifications for the exemption of 17(a)7/ cross requirements. No cross trades allowed without RBC GAM US CCO approval.

Covers/shorts must be used when crossing zero in futures trades

Prohibited Strategy: Short Sales

Manual Tests

Category - Test

Severity

Rating - Credit Quality

IGSF121TOP

Downgrade Notification: If a security is downgraded after purchase, the position should be liquidated in a timely fashion and a written recommendation given to the client

Security Types, Investment Classes

IGSF121TOP

Prohibited Investment: Auction Rate Securities (Manual)

Disclosures

Investment advisory services are provided by RBC Global Asset Management (U.S.) Inc. ("RBC GAM-US"). This performance evaluation is provided as a service enabling you to review your overall securities positions on a periodic basis. This evaluation should not be considered as a substitute for your custodian statement. You are urged to compare statements provided by the custodian of your account with this and all future portfolio reports provided by RBC GAM-US. If you are not already receiving custody statements from your custodian, please contact them to request that they begin sending such statements directly to you.

Please advise your Client Service contact at RBC Global Asset Management (U.S.) Inc., 50 South Sixth Street, Suite 2350, Minneapolis, MN 55402 and Phone: 800-553-2143 promptly in the event of a material change in your investment strategy.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues is subject to change. The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account do not include management fees and any other expenses incurred in the management of the account. Asset ID typically represents the CUSIP of the holding. When a CUSIP is not available, the Asset ID may represent a SEDOL or an internal security ID. For unrated securities, RBC GAM-US may assign an equivalent rating for calculation of portfolio analytics.

Sources of Information: Bloomberg, FactSet, FT Interactive Data, State Street Bank and Trust Company, BofA Merrill Lynch, MSCI and various other sources from time to time, as may be referenced on the report page of their use.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by Royal Bank of Canada. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Taxable clients are advised to consult with their tax advisor to determine the actual basis to use in tax reporting, as well as with any questions concerning the tax impact of gains or losses on securities or income earned in your account.

RBC Global Asset Management ("RBC GAM") is the asset management division of Royal Bank of Canada ("RBC") which includes RBC GAM-US, RBC Global Asset Management Inc., RBC Global Asset Management (UK) Limited, BlueBay Asset Management LLP, BlueBay Asset Management USA LLC, and the asset management division of RBC Investment Management (Asia) Limited, which are separate, but affiliated corporate entities. ®/™ Trademark(s) of Royal Bank of Canada. Used under license. © 2019 RBC Global Asset Management (U.S.) Inc. Equal Opportunity Employer M/F/D/V

Offer of Form ADV

Rule 204-3 of the Investment Advisers Act of 1940 requires all Investment Advisers to deliver annually, or offer to deliver annually, without charge, Form ADV, Part 2A & 2B, to the client. Please submit your written request for the RBC Global Asset Management (U.S.) Inc. Form ADV Part 2A & 2B, to your Client Service contact. Form ADV Part 2A & 2B, will be mailed within seven (7) days upon receipt of the request.

° Investment Policy Review (Action)



MEMO

To: Finance & Audit Committee

From: Elizabeth Frisbie

Date: April 17, 2024

RE: Investment Policy Review

The Investment Policy requires that the Committee review the Policy at least annually and request Board approval for any changes. The current policy was last revised on May 14, 2019 and affirmed May 31, 2023.

In preparation for our annual review, staff reviewed the current policy and reached out to our Investment Advisor Raymond James and Managers, Insight and RBC, and requested policy enhancement recommendations. At last year's review, the following recommendations were made. The Committee postponed the changes due to the market conditions at the time. The recommendations included:

- Permit 4.2A Commercial Paper
- Relax the minimum permitted corporate ratings to A3/A- (currently A2/A)
- Increase corporate issuer maximum from 3% to 5%
- Permit Asset Back Securities – 15% maximum
- Change the Credit Quality standards to tighten up the lower rating bounds.

Staff and our Investment Advisor recommend not making any changes in the policy at this time. It is suggested to review these again at the fourth quarter meeting.

At this time, we request the Committee affirm the current Investment Policy with no changes.



Investment Policy

Statement of Investment Policy, Objectives and Guidelines

I. SCOPE AND PURPOSE OF THIS INVESTMENT POLICY

This statement of investment policy is set forth by the Board of Directors (the “Board”) and the Finance and Audit Committee of the Florida Insurance Guaranty Association, Inc. (“FIGA” or the “Association”) in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives for invested assets including cash (the “Assets”).
3. Offer guidelines and limitations to all investment manager(s) regarding the investment of the Assets.
4. Establish a basis for evaluating investment results.
5. Establish the relevant investment horizon for which the Assets will be invested.

In general, the purpose of this statement is to outline a philosophy that will guide the investment management of the Assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

FIGA may choose to invest a portion of the Assets using its own internal staff and investment procedures approved by the Board (FIGA’s “Internally Managed Funds”). Internally Managed Funds will consist of an amount of funds as determined by the Executive Director and approved by the Finance and Audit Committee which will assist in meeting the cash requirements of the Association. Internally Managed Funds may only be invested in:

- Bank accounts maintained by the Association
- Money Market Mutual Funds rated AAA_m by Standard & Poor’s (S&P) or Aaa-mf by Moody’s Investors Service (Moody’s) or AAAmf by Fitch Ratings;
- Certificate of Deposits (including CDARS) or any other bank instruments, to the extent such instruments are guaranteed by an agency or instrumentality of the United States Government;
- The Florida Treasurer’s Special Purpose Investment Account (SPIA), and
- Treasury or Agency securities.

The specific guidelines contained in this document are applicable to the Externally Managed Funds for which FIGA will utilize third-party professional investment manager(s) selected in a method consistent with applicable law and internal procurement policies.

II. INVESTMENT OBJECTIVES

FIGA is a nonprofit corporation created by the Florida Legislature in order to facilitate the payment of claims of insolvent insurers. Because of the nature of the risks to which Florida is exposed, the timing and amount of these claims is unpredictable. FIGA must be prepared to pay large amounts of claims quickly and without much warning. In order to meet this obligation, the primary investment objectives of the Association shall be liquidity and the preservation of capital, while earning a rate of return that is reasonable for FIGA’s conservative investment parameters.

1. Liquidity – To provide sufficient liquidity to meet cash requirements of the Association.
2. Preservation of Capital – To minimize the probability of loss of principal over the investment horizon. If FIGA is called upon to pay claims quickly, it should be able to sell securities as needed and realize proceeds approximately equal to amortized cost. Principal preservation is more important to FIGA than return maximization. These guidelines attempt to quantify that philosophy. However, while operating within the parameters set forth herein, FIGA’s investment managers should attempt to maximize return on Assets.

III. DUTIES AND RESPONSIBILITIES

A. BOARD AND FINANCE AND AUDIT COMMITTEE

Responsibility for supervision of FIGA rests with the Board. The Board recognizes its responsibilities to adopt an investment policy and its option to delegate the responsibility to implement the policy to the Finance and Audit Committee.

The Finance and Audit Committee shall:

1. Recommend portfolio objectives and investment guidelines to the Board.
2. Periodically monitor performance of investments to ensure that objectives are being met and guidelines are being followed and report to the Board at each meeting.
3. Formally review the investment policy at least annually to assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy.
4. Direct the Executive Director to implement the established investment policy and report investment results to the Finance and Audit Committee at least quarterly.

The Board may delegate certain responsibilities to professional experts in various fields. These may include, but are not limited to investment manager(s), custodian(s), and investment consultant/financial advisors.

Additional professionals such as attorneys, auditors, actuaries, and others may be engaged by the Finance and Audit Committee with the approval of the Board to assist in meeting its responsibilities and obligations to administer the Assets prudently. If such experts engaged are also deemed to be fiduciaries, they must acknowledge such in writing.

B. INVESTMENT MANAGER(S)

Each investment manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Each investment manager will have full discretion to make all investment decisions for the Assets managed by the investment manager(s) while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the investment manager(s) include:

1. Discretionary investment management including decisions to buy securities that fall within the investment guidelines, to sell or hold individual securities and to alter asset allocation within the guidelines established in this statement.
2. Provide monthly investment performance results on or before the 10th calendar day of each month.
3. Report exceptions as required below.
4. Communicating any major changes to economic outlook, investment strategy, or any other factors that affect the logistics or results of the investment process.
5. Informing the Board or Finance and Audit Committee regarding any material change to the investment manager's organization: Examples include changes in portfolio management personnel, ownership structure or investment philosophy.
6. Voting proxies, if requested by the Board or Finance and Audit Committee, on behalf of the Association, and communicating such voting records on a timely basis.
7. Liquidating in a timely fashion as market conditions warrant, any investment receiving a downgrade that causes the obligation to be outside the stipulated guidelines and providing written recommendation to the Finance and Audit Committee Chair and the Executive Director regarding such liquidation.

Investment managers must compile and report their investment performance at least quarterly to the Board and Finance and Audit Committee. Such reports must be prepared

in accordance with Global Investment Performance Standards (“GIPS”) and should be presented in the format requested by FIGA. FIGA will measure the investment performance of the Assets against commonly accepted performance benchmarks on a quarterly basis and will use this measurement as one component of its evaluation of its investment manager(s). FIGA will also give consideration to the extent to which the investment process and results are consistent with the investment objectives, goals, and guidelines set forth in this statement.

The Board and Finance and Audit Committee reserve the right to terminate a manager for any reason including, but not limited to, the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

C. CUSTODIAN(S)

Custodians are responsible for the safekeeping of the Externally Managed Funds. The specific duties and responsibilities of the custodian are to:

1. Maintain separate accounts by legal registration.
2. Value the holdings.
3. Collect all income and dividends generated by the Externally Managed Funds.
4. Settle all transactions (buy-sell orders) initiated by the investment manager(s).
5. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

D. INVESTMENT CONSULTANT(S)/FINANCIAL ADVISOR(S)

The investment consultant/financial advisor’s role is that of an independent advisor to the Board and Finance and Audit Committee for specific projects or engagements deemed necessary. Specific roles of the investment consultant/financial advisor may include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when engaged by the Board or Finance and Audit Committee.
3. Providing “due diligence”, or research, on the investment manager.
4. Reviewing and assessing the performance of the investment manager(s) to provide the Board and Finance and Audit Committee with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the Board and Finance and Audit Committee.
6. Review with the Association, at least annually, all costs associated with the management of the Assets, including:
 - Expense ratios of each investment option against the appropriate peer group.
 - Custody fees: The holding of the Assets, collection of the income, and disbursement of payments.
 - Whether the manager is demonstrating attention to “best execution” in trading securities.

IV. INVESTMENT GUIDELINES

A. Allowable Assets

In general, the Assets will be invested only in high quality fixed income securities of limited durations as set forth below. Fixed Income Securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time.

FIGA's intent is to have a diversified portfolio of fixed income securities that fall within the parameters described above. Individual securities, and the portfolio as a whole, must meet the credit quality, diversification, and duration restrictions outlined below. For a more detailed description of the portfolio securities, please see "Types of Permitted Securities" at Appendix A.

	Asset Type	Minimum Rating S&P / Moody's / Fitch	Portfolio Limits		
			Max %	Min %	Individual Issuer Limit (%)
	U.S. Treasury Securities	n/a	100%	20% Combined	n/a
	U.S. Agency Securities (Explicitly guaranteed by the federal government or supported by the full faith and credit of the U.S. Government)	n/a	50% Combined		25%
	U.S. Agency Securities (Implicitly guaranteed by the federal government or supported by the full faith and credit of the U.S. Government)	AA- / Aa3 / AA-			
	U.S. Agency Mortgage-Backed Securities (MBS)	AA- / Aa3 / AA-	15%		5%
	Commercial Paper	A-1 / P-1 / F1	25%	---	5%
	Banker's Acceptance (BAs) or Certificates of Deposit (CDs)	A-1 / P-1 / F1	15%	---	5%
	Money Market Funds	AAA _m /Aaa-mf / AA _{Am} mf	25%	---	n/a
	State and local governments	A / A2 / A	15%	---	5%
	Corporate obligations and Other Taxable Securities as defined in Appendix A Corporate Debt Securities	A / A2 / A	50%	---	3%
	Repurchase Agreement collateralized at a minimum of 102% with U.S. Treasury or U.S. Agency Securities and marked-to-market daily	n/a	15%	---	5%

B. Credit Quality

Minimum ratings reflect the security rating by two of three National Recognized Statistical Rating Organizations (S&P / Moody's / Fitch) at the time of purchase. In general, any investment receiving a downgrade that causes the obligation to be outside the stipulated guidelines should be liquidated in a timely fashion as market conditions warrant and the investment manager should provide a written recommendation to the Finance and Audit Committee Chair and the Executive Director regarding such liquidation; however, immediate sale in a temporarily depressed market is not mandated by this policy.

C. Liquidity and Maturities

To minimize the possibility of an investment loss occasioned by the sale of securities to fund liquidity needs, the Executive Director will notify the investment managers of insolvencies, anticipated insolvencies or projected liquidity needs that may alter the portfolio strategy to provide sufficient time to build up necessary liquid reserves.

- The maximum permitted final maturity for any security in the portfolio is sixty-one (61) months.
 - For purposes of this calculation, the final maturity of any variable or floating rate obligation (collectively, "VROs") with a Demand Feature (a feature permitting the holder of a security to sell such security within 397 days at an exercise price equal to the approximate amortized cost of the security at the time of exercise, where such feature is supported by a letter of credit ("LOC") or other liquidity facility from a bank rated at least A/A2) shall be deemed to be the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs. Any such LOC or liquidity facility must be renewed at least 45 days prior to its expiration to be deemed in effect for purposes of this policy. For VROs without a Demand Feature, the final maturity for purposes of this section is the stated legal maturity.
- The dollar weighted average maturity of the portfolio shall not exceed 730 days, calculated using the interest rate reset period for any VROs without a Demand Feature, and for VROs with a Demand Feature using the longer of the interest rate reset period or the time remaining until the Demand Feature could be exercised.
- The dollar weighted average maturity of the portfolio shall not exceed 910 days, calculated using the stated legal maturity for any VROs without a Demand Feature and for VROs with a Demand Feature using the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs.
- VROs without a Demand Feature shall not represent more than 25% of the Externally Managed Funds.
- Bank Instruments and Non-marketable Securities must have a maximum maturity of less than one year.
- Repurchase Agreements must have a maximum maturity of 30 days or less.

D. Prohibited Assets and Transactions

Prohibited investments include, but are not limited to the following:

1. Options
2. Limited Partnerships
3. Venture-Capital Investments
4. Real Estate Properties
5. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
6. Auction Rate Securities
7. Asset-Backed Securities, including Asset-Backed Commercial Paper
8. Non-Agency issued Mortgage-backed Securities (non-Agency MBS) or Collateralized Debt Obligations
9. Derivatives
10. Any and all security types not explicitly listed in this policy unless approved in writing by the Board.

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Securities Lending
3. Reverse Repurchase Agreements

4. Margin Transactions
5. TBA Rolls
6. Any and all transactions substantially similar, or used as an alternative to the above, unless approved in writing by the Board.

E. Evaluation and Benchmark

FIGA will measure the performance of its portfolio and the performance of each investment manager from various perspectives:

- (i) the portfolio will be measured regularly for compliance with this policy;
- (ii) the portfolio will be analyzed for return performance by comparing the investment managers' performance to each other on a regular basis;
- (iii) the portfolio's performance will be compared to various industry benchmarks – or blends of benchmarks – on a regular basis.

The purpose of using any benchmarks as performance measurement tools is not to guide investment selection – the investment managers' professional judgment, operating within the specific guidelines and restrictions of this policy is meant to be the determinant of investment selection. Rather, FIGA will use any benchmarks to measure overall performance of the investment managers. The investment managers must provide reports to FIGA on a monthly basis that enables FIGA to understand specifically how the portfolio is being invested so this performance analysis can be done. FIGA intends to use the following benchmarks in its performance evaluation:

- A blend of three benchmarks, concentrated as 25% of ICE BofA 0-1 Year AAA-A US Corporate Index (C01A), 25% ICE BofA 0-3 Month US Treasury Bill Index (G0B1), and 50% ICE BoA 1-5 Year AAA-AA US Corporate and Government Index (BVB0)

In addition to performance and compliance reporting, the investment managers must regularly stress-test the portfolio and report quarterly to FIGA the portfolio's ability to meet various levels of credit risk, (i.e.: ratings downgrade of all corporate and municipal securities by one notch (A/A2 to A-/A3)), redemption of all securities within 30 days, and interest rate changes of ± 25 and ± 50 bps for all securities.

Appendix A-Types of Permitted Securities

CORPORATE DEBT SECURITIES

Corporate Debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. This also includes bonds or notes issued or guaranteed by non-US sovereign nations or quasi-governmental agencies.

COMMERCIAL PAPER

Commercial Paper is an issuer's obligation with a maturity of less than 270 days. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

BANK INSTRUMENTS

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, Time Deposits, Certificates of Deposit and Banker's Acceptances. Yankee instruments are denominated in US dollars and issued by non-US branches or foreign banks.

Neither FIGA nor its investment managers may invest in instruments of domestic or foreign banks and savings and loans unless (i) the bank has capital, surplus and undivided profits of over \$100 million; or (ii) the principal amount of the instrument is insured by the Deposit Insurance Fund administered by the Federal Deposit Insurance Corporation either directly or as part of CDARS (Certificate of Deposit Account Registry Service) program.

These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Eurodollar Time Deposits.

U.S. TREASURY SECURITIES

U.S. Treasury Securities are direct obligations of the federal government and are backed by the full faith and credit of the United States. There are four types of U.S. Treasury Securities: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Inflation Protected Securities. Treasury Bills (T-Bills) are issued at a discount (no coupon payments) and have maturities of less than one (1) year. Treasury Notes (T-Notes) have maturities of one (1) to ten (10) years with six-month coupon payment intervals. Treasury Bonds (T-Bonds) have maturities of ten (10) or more years with six-month coupon payment intervals. Treasury Inflation Protected Securities (TIPS) are inflation indexed bonds with principal adjusted to the Consumer Price Index to protect against inflation.

AGENCY SECURITIES

Agency securities are issued or guaranteed by a federal agency or other Government-Sponsored Entity (GSE) acting under federal authority. Some GSE securities are explicitly guaranteed or supported by the full faith and credit of the United States and other GSE securities are implicitly supported through federal subsidies, loans, or other benefits.

Explicitly Guaranteed by Federal Government

Securities supported by the full faith and credit of the United States include, but are not limited to, securities issued by the Government National Mortgage Association (GNMA), Small Business Administration, Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, U.S. International Development Finance Corporation, and Washington Metropolitan Area Transit Authority.

Implicitly Guaranteed by Federal Government

The following GSE securities receive support through federal subsidies, loans, or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System (FHLB), Federal

Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Tennessee Valley Authority in support of such obligations.

A few other GSE securities have no explicit financial support, but are regarded as having support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

MUNICIPAL SECURITIES

Municipal securities are issued by states, counties, cities, and other political subdivisions and authorities.

MONEY MARKET MUTUAL FUNDS

Money Market Mutual Funds are registered investment companies that comply with Rule 2a-7 of the Investment Company Act of 1940.

MORTGAGE BACKED SECURITIES

Agency Mortgage Backed Securities (MBS) investments are limited to pass-through and agency issued collateralized mortgage obligations (CMO) securities issued by the GNMA, FNMA and FHLMC. GNMA is a U.S. Government Agency security while FNMA and FHLMC are GSE's. Allowable MBS investments do not include interest-only or principal-only CMOs, private label or other types of MBS.

REPURCHASE AGREEMENTS (REPOs)

Repurchase Agreements are a form of short-term borrowing often used by broker-dealers. The dealer sells securities to investors, and buys them back at an agreed upon price on an agreed upon day. For the party selling the security (and agreeing to repurchase it in the future) it is a Repo.

Repurchase Agreements are permitted for use by FIGA when transacted with any registered broker/dealer or any domestic commercial bank whose unsecured long-term debt obligations are rated at least "A2" by Moody's and "A" by S &P without regard to gradation. In addition, (a) a specific written repurchase agreement must govern the transaction, (b) the securities must be held free and clear of any lien, by the Indenture Trustee or an independent third party acting solely as agent for the Indenture Trustee, and (c) such party must be a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$100 million, and the Indenture Trustee must have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Indenture Trustee.

Any Repurchase Agreement must be collateralized at least 102% with U.S. Government or Agency securities, excluding MBS. All Repurchase Agreements must be marked-to-market daily.

° Audit Report

· FIGA Audit Reports (Action)

Financial Statements – Modified Cash Basis
and Other Financial Information



Florida Insurance Guaranty Association, Inc.

*Years ended December 31, 2023 and 2022
with Report of Independent Auditors*

Florida Insurance Guaranty Association, Inc.

Financial Statements – Modified Cash Basis
and Other Financial Information

Years ended December 31, 2023 and 2022

Contents

Report of Independent Auditors.....	1
--	----------

Audited Financial Statements

Statements of Financial Position – Modified Cash Basis	4
Statements of Activities and Changes in Net Assets (Liabilities)– Modified Cash Basis	5
Statements of Functional Expenses – Modified Cash Basis – Year ended December 31, 2023	6
Statements of Functional Expenses – Modified Cash Basis – Year ended December 31, 2022	7
Notes to Financial Statements – Modified Cash Basis	8

Other Financial Information

Schedules of Activities and Changes in Net Assets (Liabilities) – Modified Cash Basis – Year ended December 31, 2023	22
Schedules of Activities and Changes in Net Assets – Modified Cash Basis – Year ended December 31, 2022	23

Report of Independent Auditors

The Board of Directors
Florida Insurance Guaranty Association, Inc.

Opinion

We have audited the financial statements of the Florida Insurance Guaranty Association, Inc. (the Association) which comprise the statement of financial position - modified cash basis as of December 31, 2023 and 2022, the related statements of activities and changes in net assets (liabilities) - modified cash basis and statements of functional expenses - modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, and the results of its operations and revenue collected and expenses paid during the years then ended in accordance with the modified basis of cash receipts and disbursements described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1 of the financial statements, which describes the basis of accounting, the financial statements are prepared on the modified basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the Association has elected to change its method of accounting for recognizing assessment receivables under the modified cash basis effective January 1, 2022. Our opinion is not modified with respect to this matter.

Page Two

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified basis of cash receipts and disbursements described in Note 1; this includes determining that the modified basis of cash receipts and disbursements is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.

Page Three

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of activities and changes in net assets (liabilities) - modified cash basis are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tallahassee, Florida
NEED DATE

Florida Insurance Guaranty Association, Inc.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Statements of Financial Position
- Modified Cash Basis

	December 31	
	2023	2022
Assets		
Cash and short-term investments:		
Cash and cash equivalents	\$ 293,585,908	\$ 132,157,820
Short-term investments	21,615,944	29,345,754
Total cash and short-term investments	315,201,852	161,503,574
Assessment receivable	291,694,531	449,982,537
Other receivables	94,906	-
Accrued interest income	190,498	155,914
Investments	7,780,682	19,843,665
Bond issuance cost, net	1,935,505	-
Property and equipment, net	878,257	899,399
Total assets	<u>\$ 617,776,231</u>	<u>\$ 632,385,089</u>
Liabilities and net assets		
Liabilities:		
Amounts held for others	\$ 10,006	\$ 69,299
Notes payable	15,000,000	350,000,000
Bonds payable	607,212,362	-
Accrued interest	11,449,930	2,691,841
Total liabilities	633,672,298	352,761,140
Net (liabilities) assets:		
Without donor restrictions:		
Statutorily designated for automobile liability and physical damage	53,894,665	49,375,361
Statutorily designated for other covered lines	(69,790,732)	230,248,588
Total net (liabilities) assets	<u>(15,896,067)</u>	<u>279,623,949</u>
Total liabilities and net assets	<u>\$ 617,776,231</u>	<u>\$ 632,385,089</u>

See accompanying notes.

Statements of Activities and Changes in Net Assets (Liabilities)
- Modified Cash Basis

	Years ended December 31,	
	2023	2022
Revenues:		
Assessments	\$ 332,437,238	\$ 490,000,000
Investment income, net of related expenses	18,981,359	1,766,808
Estate distributions and claim recoveries	126,865,039	154,300,623
Total revenues	<u>478,283,636</u>	<u>646,067,431</u>
Expenses:		
Claims and claims adjustment expenses paid	771,220,001	673,622,392
Direct estate services	241,752	738,054
General and administrative	2,341,899	2,587,875
Total expenses	<u>773,803,652</u>	<u>676,948,321</u>
Change in net assets	(295,520,016)	(30,880,890)
Net assets at December 31	279,623,949	142,504,839
Cumulative effect of change in accounting principle (Note 11)	-	168,000,000
Net assets at January 1, as adjusted	<u>279,623,949</u>	<u>310,504,839</u>
Net (liabilities) assets at December 31	<u>\$ (15,896,067)</u>	<u>\$ 279,623,949</u>

See accompanying notes.

Florida Insurance Guaranty Association, Inc.

Statement of Functional Expenses
- Modified Cash Basis

Year ended December 31, 2023

	Claims and Claims Adjustment Expenses Paid	Direct Estate Services	General and Administrative	Total Expenses
Interest	\$ 22,080,943	\$ -	\$ -	\$ 22,080,943
Claims and claims adjustment expense	745,171,399	-	-	745,171,399
Salaries and benefits	1,616,268	70,160	1,234,419	2,920,847
Temporary labor	1,934,930	-	-	1,934,930
Premises	31,941	3,289	19,411	54,641
Accounting and auditing	-	-	76,687	76,687
Bank fees	-	30,218	38,960	69,178
Travel	-	-	462	462
Consulting	45,400	-	54,446	99,846
Dues and publications	4,662	-	174,830	179,492
Technology	251,705	-	400,269	651,974
Insurance	10,245	-	105,427	115,672
Legal and legislative fees	-	34,186	109,682	143,868
Office supplies	-	-	16,363	16,363
Postage and shipping	-	103,899	33,219	137,118
Travel and staff development	17,789	-	25,887	43,676
Taxes and licenses	-	-	18,584	18,584
Communication	54,719	-	33,253	87,972
	<u>\$ 771,220,001</u>	<u>\$ 241,752</u>	<u>\$ 2,341,899</u>	<u>\$ 773,803,652</u>

Florida Insurance Guaranty Association, Inc.

Statement of Functional Expenses
- Modified Cash Basis

Year ended December 31, 2022

	Claims and Claims Adjustment Expenses Paid	Direct Estate Services	General and Administrative	Total Expenses
Interest	\$ 7,196,658	\$ -	\$ -	\$ 7,196,658
Claims and claims adjustment expense	664,792,567	-	-	664,792,567
Salaries and benefits	1,370,041	59,471	1,122,928	2,552,440
Premises	10,500	2,834	28,610	41,944
Accounting and auditing	-	-	55,048	55,048
Bank fees	-	-	15,811	15,811
Travel	-	-	248	248
Consulting	-	-	649,399	649,399
Dues and publications	4,981	182	171,479	176,642
Technology	218,907	327,590	243,314	789,811
Insurance	9,535	-	84,348	93,883
Legal and legislative fees	798	166,145	110,354	277,297
Office supplies	-	19,332	8,239	27,571
Postage and shipping	-	149,471	22,433	171,904
Travel and staff development	4,755	-	19,419	24,174
Taxes and licenses	-	-	19,160	19,160
Communication	13,650	13,029	37,085	63,764
	<u>\$ 673,622,392</u>	<u>\$ 738,054</u>	<u>\$ 2,587,875</u>	<u>\$ 676,948,321</u>

See accompanying notes.

Years ended December 31, 2023 and 2022

1. Organization and Significant Accounting Policies

The Florida Insurance Guaranty Association, Inc. (the Association), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Act of 1970 (the Act). The Association was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurer insolvencies. The Association operates under the supervision and approval of a board of directors, comprised of not less than five and no more than nine persons, recommended by member insurers pursuant to Chapter 631.56, Florida Statutes, and subsequently appointed by the Florida Department of Financial Services.

The Association is managed by the American Guaranty Fund Group (AGFG) through a management and administrative services agreement (see Note 8). AGFG also has an agreement with the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA), a related party through common management, for these services. The Association and FWCIGA are equal members of AGFG, but control is maintained by the members through equal representation on the board of directors.

The members of the Association are all insurers that provide property and casualty coverages in the state of Florida. The funding of the Association's activities is provided by distributions from the estates of insolvent insurers, assessments of members, and investment income.

The accounting policies and methods of their application that significantly affect the assets and liabilities arising from cash transactions and changes in the modified cash basis net assets of the Association are as follows:

Basis of Accounting

The financial statements of the Association are prepared on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of presentation differs from GAAP in that certain revenues are recognized when received rather than earned and certain expenses are recognized when paid rather than when the obligation is incurred. Specifically, the variances from GAAP include omission of accruals for loss and loss adjustment expense reserves of insolvent insurance companies assumed by the Association. Such variances are presumed to be material. However, similar to financial statements prepared in accordance with GAAP, these financial statements reflect the capitalized cost of property and equipment and related depreciation, accrued interest income, assessment receivables, bonds and notes payable and related issuance costs, and amounts held by the Association for others in a fiduciary capacity. The accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Notes to Financial Statements – Modified Cash Basis

1. Organization and Significant Accounting Policies (continued)**Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits with financial institutions and deposits in highly liquid money market funds with original maturities of three months or less. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured financial institution. Bank deposits at times may exceed federally insured limits. The Association has not experienced any losses in such accounts.

Investments

Investments are reported at amortized cost. Short-term investments include securities with original maturity dates of one year or less.

Concentration of Credit Risk

The financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, and assessment revenue.

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation of the Association. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Association focuses primarily on highly liquid cash equivalent investments, limits its exposure in any one investment, and monitors quality.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over an estimated useful life of three to 39 years. The Association's policy is to capitalize asset acquisitions greater than \$1,000.

Net Assets

The Association's modified cash basis net assets represent funds held from assessments, and other sources to pay covered property and casualty claims of insolvent insurers and administrative costs as they come due.

All net assets of the Association are designated by the Florida Insurance Guaranty Act of 1970 for the organizational purposes described above.

Notes to Financial Statements – Modified Cash Basis

1. Organization and Significant Accounting Policies (continued)**Income Taxes**

The Association is exempt from federal income taxes under Section 501 of the Internal Revenue Code as a 501(c)(6) organization. The Association elects to pay the proxy tax on lobbying expenditures instead of reporting a portion of member assessments as non-deductible. There was no income tax expense for the years ending December 31, 2023 and 2022. With few exceptions, the Association is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2019 and prior.

Assessments

Assessment receivables and revenue are recorded at the time they are levied. Original estimates are decreased or increased in the period additional information becomes known regarding the estimated assessments.

The assessments are calculated and, as considered necessary, levied against member insurers on the basis of direct written premiums in the state of Florida in the classes protected by the Act. The Association obtains the amount of the direct written premiums, by company and by class of protection, which is used as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2020, the Florida Legislature granted the Association the authority to levy an emergency assessment up to an additional 4% of direct written premiums for the account specified in Section 631.55(2)(b).

On August 26, 2021, a regular assessment (2021 Assessment) of 0.7% totaling \$168,000,000 was levied on the “all other” cover lines of business. Member insurers will collect an equivalent surcharge on new and renewal policies with 2022 effective dates and will remit assessments quarterly on or before July 1, 2022, October 1, 2022, and December 1, 2022. Members were to remit their final assessment installment on or before March 31, 2023.

On February 28, 2022, a regular assessment (2022A Assessment) of 1.3% totaling \$318,500,000 was levied for the “all other” covered lines of business. Member insurers will collect an equivalent surcharge on new and renewal policies and will remit assessments over the assessment year starting July 1, 2022 through June 30, 2023.

On August 26, 2022, a regular assessment (2022B Assessment) of 0.7% totaling \$171,500,000 was levied for the “all other” covered lines of business. Member insurers will collect an equivalent surcharge on new and renewal policies and will remit assessments over the assessment year starting January 1, 2023 through December 31, 2023.

Notes to Financial Statements – Modified Cash Basis

1. Organization and Significant Accounting Policies (continued)**Assessments (continued)**

On April 10, 2023, an emergency assessment (2023A Assessment) of 1.0% totaling \$286,000,000 was levied for the “all other” covered lines of business. Member insurers will collect and remit an equivalent surcharge on new and renewal policies over the assessment year starting October 1, 2023 through September 30, 2024, and continuing until the 2023A-1 and 2023A-2 bonds have been paid in full. Notice will be sent to all member insurers on or before June 30 of the final Assessment Year, to inform insurers that they may end the collection of the 1.0% emergency assessment. See note 7 for bond details.

As of December 31, 2023, the Association has collected approximately \$181,990,000 on the 0.7% assessment levied in 2021.

As of December 31, 2023, the Association has collected approximately \$516,750,000 on the 1.3% and 0.7% assessments levied in 2022.

As of December 31, 2023, the Association has collected approximately \$0 on the 1.0% emergency assessment levied in 2023.

Assessments receivable at December 31, 2023 and 2022, are approximately \$291,690,000 and \$449,983,000, respectively.

Investment Income

The Association allocates interest income earned from investments to the individual net asset classification based on the ratio of each classification’s average monthly balance to the average monthly balance for all classifications. Interest income is recorded in the period earned.

Estate Distributions and Claim Recoveries

Amounts received by the Association for estate distributions and claim recoveries are recognized in the period received. Estate distributions and claim recoveries include reinsurance recoveries by the receivers, Florida Hurricane Catastrophe Fund reimbursements, direct claim recoveries, and any other distributions of estate assets.

Claims and Claims Adjustment Expenses Paid

Claims and claims adjustment expenses paid consist of the amounts paid on claims of insolvent insurers.

Notes to Financial Statements – Modified Cash Basis

1. Organization and Significant Accounting Policies (continued)**Direct Estate Services**

Direct estate expenses are expenses paid by the Association related directly to the protection of the Association's interest in the administration of specific insolvent insurers' estates.

General and Administrative Expenses

The Association records general and administrative expenses when paid. General and administrative expenses are allocated monthly based on a formula that incorporates the amounts paid for claims and claims handling as well as the changes in outstanding reserves for each estate by line of business in their proportion to the total activity for that month.

Use of Estimates

The preparation of financial statements in conformity with the modified basis of cash receipts and disbursements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The statement of functional expenses contains certain categories of expenses that are attributable to one or more program or supporting functions of the Association. These expenses include depreciation, which is allocated on a direct method for assets directly related to the program and allocated based on estimates of time and effort for assets acquired for all departments. The Association's executive office expenses, including salaries of senior management, are all allocated based on estimates of time and effort.

Subsequent Events

The Association has evaluated subsequent events through NEED DATE, the date the financial statements were available to be issued. During the period from December 31, 2023 to NEED DATE, the Association did not have any material recognizable subsequent events with the exception of the item detailed in Note 12.

Notes to Financial Statements – Modified Cash Basis

2. Investments

The Association invests in government and corporate bonds, commercial paper, and other fixed maturity obligations. The fair values of investments are estimated based on their quoted market values for the specific investments. The amortized cost and fair value of these investments are as follows:

	December 31, 2023	
	Amortized	
	Cost	Fair Value
U.S. Government agency obligations	\$ 6,358,760	\$ 6,146,648
U.S. Agency mortgage-backed securities	1,221,013	1,210,259
Municipal obligations	4,583,824	4,456,931
Corporate bonds	14,480,432	14,285,137
Repurchase agreements	2,752,597	2,714,633
	<u>29,396,626</u>	<u>28,813,608</u>
Less short-term investments	<u>21,615,944</u>	<u>21,453,174</u>
Investments	<u>\$ 7,780,682</u>	<u>\$ 7,360,434</u>

	December 31, 2022	
	Amortized	
	Cost	Fair Value
U.S. Government agency obligations	\$ 25,944,147	\$ 25,733,735
U.S. Agency mortgage-backed securities	3,215,603	3,167,740
Municipal obligations	5,508,840	5,187,878
Corporate bonds	13,402,369	12,880,793
Repurchase agreements	1,118,460	1,041,556
	<u>49,189,419</u>	<u>48,011,702</u>
Less short-term investments	<u>29,345,754</u>	<u>29,383,059</u>
Investments	<u>\$ 19,843,665</u>	<u>\$ 18,628,643</u>

A summary of the amortized cost and fair value of the Association's bonds and other investments at December 31, 2023, by maturity is as follows:

	Amortized	
	Cost	Fair Value
Due in one year or less	\$ 21,615,944	\$ 21,453,174
Due after one year through five years	7,780,682	7,360,434
Total	<u>\$ 29,396,626</u>	<u>\$ 28,813,608</u>

The foregoing data is based on the expected maturities for bonds. These expected maturities might differ from the contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Notes to Financial Statements – Modified Cash Basis

2. Investments (continued)

Investment income consists of interest income and net realized gains (losses) and is reported net of investment management expenses of \$82,466 and \$102,541 for the years ended December 31, 2023 and 2022, respectively. Net realized gains (losses) for the years ended December 31, 2023 and 2022, were \$223,544 and \$(682,411), respectively.

3. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis.

		December 31, 2023			
		Total	Level 1	Level 2	Level 3
U.S. Government and government agency bonds	\$	6,146,648	\$	–	\$ 6,146,648 \$ –
Asset-backed securities		1,210,259		–	1,210,259 –
Corporate bonds		14,285,137		–	14,285,137 –
Municipal obligations		4,456,931		–	4,456,931 –
Repurchase agreements		2,714,633		–	2,714,633 –
	\$	28,813,608	\$	–	\$ 28,813,608 \$ –

		December 31, 2022			
		Total	Level 1	Level 2	Level 3
U.S. Government and government agency bonds	\$	25,733,735	\$	–	\$ 25,733,735 \$ –
Asset-backed securities		3,167,740		–	3,167,740 –
Corporate bonds		12,880,793		–	12,880,793 –
Municipal obligations		5,187,878		–	5,187,878 –
Repurchase agreements		1,041,556		–	1,041,556 –
	\$	48,011,702	\$	–	\$ 48,011,702 \$ –

Notes to Financial Statements – Modified Cash Basis

3. Fair Value Measurements (continued)

Fair values of the Association's debt securities (bonds) reported in Level 2 are based on average bid prices of identical or similar issues with the same life and expected yields. There have been no changes in the methodologies used at December 31, 2023 and 2022.

4. Available Resources and Liquidity

The Association's modified cash basis financial assets represent funds held from assessments and other sources to pay covered property and casualty claims of insolvent insurers, monitor the administrations of insolvent insurers estates and protect the Association's interest, and administrative costs as they come due.

	December 31,	
	2023	2022
Financial assets at end of year:		
Cash and cash equivalents	\$ 293,585,908	\$ 132,157,820
Investments	29,396,626	49,189,419
Accrued interest income	190,498	155,914
Total financial assets	323,173,032	181,503,153
Less:		
Amounts held for others	–	69,299
Financial assets available for statutorily designated use	<u>\$ 323,173,032</u>	<u>\$ 181,433,854</u>

5. Property and Equipment

Property and equipment consists of the following:

	December 31,	
	2023	2022
Land	\$ 310,000	\$ 310,000
Building	883,463	883,463
Office furniture and equipment	39,067	33,191
Computer equipment and software	769,948	747,992
Leasehold improvements	137,852	133,477
	2,140,330	2,108,123
Less accumulated depreciation	1,262,073	1,208,724
	<u>\$ 878,257</u>	<u>\$ 899,399</u>

During the years ended December 31, 2023 and 2022, the Association recorded depreciation expense of \$53,349 and \$54,899, respectively.

Notes to Financial Statements – Modified Cash Basis

5. Property and Equipment (continued)

The Association and FWCIGA are the owners of real property together with certain tangible property. The Association owns an undivided 50% interest in the property which is reported above as land and building.

6. Notes Payable

On March 8, 2022, the Board recognized that the Association would need to borrow funds from a financial institution in order to meet the claim obligations for insolvent members during 2022.

On April 26, 2022, the Association entered into a loan agreement with a financial institution. The loan agreement was for \$250,000,000, with \$130,000,000 of the outstanding principal at a variable rate of the Secured Overnight Financing Rate (SOFR) plus .70% annually, and \$120,000,000 of the outstanding principal at a fixed rate of 3.04% annually. The loan is secured by the 2022A Assessment collections and any future assessments needed to repay the debt. Interest and principal payments are due quarterly beginning on December 1, 2022, with a final maturity date of December 1, 2023. As of December 31, 2023, the loan agreement was fully paid.

On August 31, 2022, the Association entered into a second loan agreement with a second financial institution. The loan agreement was for \$150,000,000, with \$60,000,000 of the outstanding principal at a variable rate of the SOFR plus .81% annually, and \$90,000,000 of the outstanding principal at a fixed rate of 4.11% annually. The loan is secured by the 2022B assessment collections and any future assessments needed to repay the debt. Interest and principal payments are due quarterly beginning on June 1, 2023, with a final maturity date of September 1, 2024. As of December 31, 2023, the outstanding balance is \$15,000,000.

The balance of the notes payable and accrued interest payable at December 31, 2023 and 2022 was \$15,000,000 and \$350,000,000, respectively and \$51,375 and \$2,691,841, respectively.

Principal payments required for subsequent years ending December 31, are as follows:

Year ended	
<u>December 31,</u>	
2024	\$ 15,000,000
	<u>\$ 15,000,000</u>

7. Bonds Payable

Insurance Assessment Revenue Bonds

In 2006, the Association was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, Florida Statutes, to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b). As of December 31, 2023, the Association has issued \$590,325,000 in tax-exempt bonds.

Notes to Financial Statements – Modified Cash Basis

7. Bonds Payable (continued)

On March 31, 2023, the board voted to approve a resolution requesting that the Florida Insurance Assistance Interlocal Agency (FIAIA) issue tax-exempt revenue bonds to fund the Hurricane Covered Claims Assistance Program to provide for the payment of covered claims resulting from insurance companies that have become insolvent or may become insolvent as a result of losses incurred due to hurricane claims.

The Association requested that FIAIA issue a short-term debt obligation in the form of a bond anticipation note (Series 2023A Bond Anticipation Note) in the amount of \$150,000,000 to provide interim funding until the bond issuance. The Series 2023A Bond Anticipation Note allowed the Association to begin processing the payment of hurricane claims on an expedited basis, and thereafter to use its best efforts to issue Insurance Assessment Revenue Bonds, Series 2023A (Series 2023A Bonds) in an amount not to exceed \$750,000,000 to repay the Series 2023A Bond Anticipation Note and to provide additional funding for the payment of future covered claims.

On April 10, 2023, FIAIA approved the resolution to issue the \$150,000,000 Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program). The resolution approved by the Association board also certified the need for a 1% emergency assessment and provided that the assessment be authorized in advance for each assessment year beginning October 1, 2023 through September 30, 2024, and continuing until the end of the assessment year in which all notes and bonds have been paid in full and are no longer outstanding.

On April 10, 2023, the Florida Office of Insurance Regulation (the Office) issued an Order levying the 1% Emergency Assessment. Pursuant to the Indenture, the 1% Emergency Assessment was pledged to the security and payment of the Series 2023A Bonds. The Association has covenanted to certify to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the notes and bonds.

On July 1, 2023, the Florida Insurance Assistance Interlocal Agency, on behalf of the Association, issued \$465,325,000 in Series 2023A-1 Assessment Revenue Bonds and \$125,000,000 in Series 2023A-2 Assessment Revenue Bonds. The Series 2023A-1 Bonds were issued at an interest rate of 5%, payable semi-annually on March 1 and September 1, beginning March 1, 2024. The Series 2023A-2 Assessment Revenue Bonds were issued at the Weekly Interest Rate determined by Bank of America Securities, Inc., payable on the first business day of each month beginning August 1, 2023.

Notes to Financial Statements – Modified Cash Basis

7. Bonds Payable (continued)

On July 1, 2023, the FIAIA and the Bank of New York Mellon entered a Trust Indenture that outlined how the \$608,418,000 (\$465,325,000 principal of the 2023A-1 bonds, the original issue premium of \$18,093,000, and \$125,000,000 principal of the 2023A-2 bonds) of proceeds from the Series 2023A Bond issuance would be used. \$450,000,000 was to be deposited into the claims subaccount of the claims fund and used to pay covered claims. \$150,000,000 was to be used to repay outstanding principal on the Series 2023A Bond Anticipation Note. \$1,751,000 was to be used to pay the accrued interest on the note and \$317,000 for the cost of issuances. \$6,350,000 was to be deposited in the debt service fund to pay interest. The bond premium discount had amortization expense of \$1,206,240 for the year ended December 31, 2023.

On July 13, 2023, in accordance with the Trust Indenture between FIAIA and the Bank of New York Mellon Trust Company, the \$150,000,000 Series 2023A Bond Anticipation Note, along with accrued interest of \$1.75 million, was paid with a portion of the Series 2023A bond proceeds.

As of December 31, 2023, the Series 2023A-1 bonds and Series 2023A-2 bonds have accumulated unpaid interest of \$10,983,464 and \$466,466, respectively. The Series 2023A Bond debt service to maturities are as follows:

Series 2023A-1

	<u>Principal</u>	<u>Interest</u>
2024	\$ 50,530,000	\$26,368,417
2025	115,765,000	20,739,750
2026	121,905,000	14,951,500
2027	100,000,000	8,856,250
2028	77,125,000	3,856,250
	<u>\$465,325,000</u>	<u>\$74,772,167</u>

Series 2023A-2

	<u>Principal</u>	<u>Interest</u>
2024	\$ —	\$ 6,257,158
2025	—	6,242,842
2026	—	6,250,000
2027	—	6,250,000
2028	—	6,257,158
Thereafter	125,000,000	24,999,999
	<u>\$125,000,000</u>	<u>\$56,257,157</u>

Notes to Financial Statements – Modified Cash Basis

7. Bonds Payable (continued)

A summary of changes in the long-term debt of the Association is as follows:

Descriptions	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023	Due Within One Year
Series 2023A-1 Bonds	\$ —	\$ 465,325,000	\$ —	\$ 465,325,000	\$50,530,000
Series 2023A-2 Bonds		125,000,000	—	125,000,000	—
Total	\$ —	\$ 590,325,000	\$ —	\$ 590,325,000	\$50,530,000

A summary of bonds payable at December 31, 2023 (none at December 31, 2022) is as follows:

Description	
Insurance Assessment Revenue Bonds Series 2023A-1 issued July 2023 in the amount of \$465,325,000 at an interest rate of 5.00%. Interest is due semi-annually on March 1 and September 1 with principal maturity paid from September 2024 through September 2028.	\$465,325,000
Insurance Assessment Revenue Bonds Series 2023A-2 issued July 2023 in the amount of \$125,000,000 at the Weekly Interest Rate determined by the Bank of America Securities, Inc. Interest is due on the first business day of each month beginning August 1, 2023, with principal maturity paid September 2032.	125,000,000
Total Revenue Refunding Bonds	<u>\$590,325,000</u>

Notes to Financial Statements – Modified Cash Basis

8. Management Services Agreement

The Association and FWCIGA have entered into agreements with AGFG to provide management and administrative services. Under the terms of the Association's agreement, AGFG provides management and administrative services, including but not limited to general management responsibility, finance and accounting, overseeing and managing the Association's claims division, managing and supervising the day-to-day activities of the Association, and other management or administrative services. The Association and FWCIGA reimburse AGFG for all amounts paid by AGFG. Costs incurred by AGFG that are directly attributable to a specific entity are charged to the applicable entity. All other costs incurred by AGFG are distributed equitably to the Association and FWCIGA based on various allocation methods. The Association's contract may be terminated with 30 days written notice by either party, with or without cause. The Association and FWCIGA each pay AGFG in advance of each calendar year an amount equal to the two-month average budget for that entity projected for the upcoming calendar year. The operating advance paid to AGFG was \$1,081,562 and \$752,628 at December 31, 2023 and 2022, respectively.

Amounts paid to AGFG under this agreement totaled \$6,772,917 and \$6,664,443 for the years ended December 31, 2023 and 2022, respectively, and are reported in general and administrative expenses, claims and claims adjustment expenses, and direct estate expenses.

9. Commitments and Contingencies

As more fully described in Note 1, the Association has assumed the outstanding claims and claims adjustment expense liabilities of insolvent property and casualty insurers in the state of Florida. The case-basis claims and claim adjustment expense reserves for known insolvent insurers at December 31, 2023 and 2022, are approximately \$253,679,771 and \$337,307,000, respectively. An actuarial determination of the ultimate value of the outstanding claim liabilities has not been made. In addition to the Association's obligation to pay the outstanding claims and claims adjustment expenses of insolvent insurers, the Association is also obligated to pay the unearned premium liabilities of insolvent insurers. There is no known outstanding unearned premium obligation of insolvent insurers at December 31, 2023 and 2022.

The Association receives early access distributions from the receivers of insolvent insurers. Some of these distributions have been received pursuant to agreements that provide that in the event the distributions exceed the Association's final pro rata distribution from the insolvencies, the Association will return any excess to the receiver.

The Association is involved in various legal actions in its capacity as the provider of funds for the settlement of covered claims and return of unearned premiums under certain insurance policies of insolvent companies. The costs of such legal actions to the Association are recorded as claims and claims handling expenses when paid.

Notes to Financial Statements – Modified Cash Basis

9. Commitments and Contingencies (continued)

The Association has filed contingent proofs of claims with the Florida Department of Financial Services, Division of Rehabilitation and Liquidation and with out-of-state receivers to protect its right of recovery from the various insolvent companies for claims and expenses paid. General and administrative expenses are a priority claim with the receivers in most states.

During the ordinary course of business, the Association is involved in various litigation. The ultimate outcome of such litigation is uncertain. However, management and legal counsel are of the opinion that any resulting unfavorable outcomes would have minimal adverse economic impact on the Association.

10. Retirement Plan

The Association employees have the option of participating in the AGFG 401(k) Profit Sharing Plan (the Plan). The Plan is available to employees meeting certain entry requirements. The Association makes discretionary employer contributions to the Plan on a matching basis. Employer contributions paid for the years ended December 31, 2023 and 2022, were \$167,989 and \$150,704, respectively.

11. Change in Accounting Principle

Effective January 1, 2022, the Association changed its method of accounting for assessments to recognize the assessments in the period levied and record the related assessments receivable as of the end of the financial reporting period. The change in accounting resulted in a cumulative effect adjustment of \$168,000,000 to restate beginning net assets as of January 1, 2022.

12. Subsequent Event

During April 2024, the Association received approximately \$199,000,000 from the Florida Hurricane Catastrophe Fund for reimbursement of claims associated with Hurricane Ian.

Other Financial Information

Florida Insurance Guaranty Association, Inc.

Schedule of Activities and Changes in Net Assets (Liabilities)
- Modified Cash Basis

Year ended December 31, 2023

	Automobile Liability and Physical Damage	Other Covered Lines	Total
Revenues:			
Assessments	\$ -	\$ 332,437,238	\$ 332,437,238
Investment income, net of related expenses	25,835	18,955,524	18,981,359
Estate distributions and claim recoveries	7,186,422	119,678,617	126,865,039
Total revenues	<u>7,212,257</u>	<u>471,071,379</u>	<u>478,283,636</u>
Expenses:			
Claims and claims adjustment expenses paid	2,682,678	768,537,323	771,220,001
Direct estate expenses	1,783	239,969	241,752
General and administrative	8,492	2,333,407	2,341,899
Total expenses	<u>2,692,953</u>	<u>771,110,699</u>	<u>773,803,652</u>
Change in net assets	4,519,304	(300,039,320)	(295,520,016)
Statutorily designated net assets at beginning of year	49,375,361	230,248,588	279,623,949
Statutorily designated net assets (liabilities) at end of year	<u>\$ 53,894,665</u>	<u>\$ (69,790,732)</u>	<u>\$ (15,896,067)</u>

See report of independent auditors.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Florida Insurance Guaranty Association, Inc.

Schedule of Activities and Changes in Net Assets
- Modified Cash Basis

Year ended December 31, 2022

	Automobile Liability and Physical Damage	Other Covered Lines	Total
Revenues:			
Assessments	\$ -	\$ 490,000,000	\$ 490,000,000
Investment income, net of related expenses	256,101	1,510,707	1,766,808
Estate distributions and claim recoveries	21,627,900	132,672,723	154,300,623
Total revenues	<u>21,884,001</u>	<u>624,183,430</u>	<u>646,067,431</u>
Expenses:			
Claims and claims adjustment expenses paid	7,612,639	666,009,753	673,622,392
Direct estate expenses	46,301	691,753	738,054
General and administrative	94,173	2,493,702	2,587,875
Total expenses	<u>7,753,113</u>	<u>669,195,208</u>	<u>676,948,321</u>
Change in net assets	14,130,888	(45,011,778)	(30,880,890)
Statutorily designated net assets at beginning of year, adjusted	35,244,473	275,260,366	310,504,839
Statutorily designated net assets at end of year	<u>\$ 49,375,361</u>	<u>\$ 230,248,588</u>	<u>\$ 279,623,949</u>

See report of independent auditors.

To the Finance and Audit Committee
Florida Insurance Guaranty Association, Inc.

We are pleased to present this report related to our audit of the financial statements of Florida Insurance Guaranty Association, Inc. (the Association) as of and for the year ended December 31, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Association's financial reporting process.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 31, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated March 4, 2024 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Association. The Association adopted under the modified cash basis the presentation of bonds payable. Significant Accounting Policies We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Significant Unusual Transactions We did not identify any significant unusual transactions.

Page Two

Area	Comments
Management's Judgments and Accounting Estimates	<p>Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimate significant to the financial statements include:</p> <ul style="list-style-type: none">- Recorded value of levied assessments and related assessments receivable- Useful lives used to calculate depreciation expense and record accumulated depreciation.- Commitments and contingencies disclosed in Note 9 to the financial statements. <p>The Board of Directors and Finance and Audit Committee may wish to monitor throughout the year the process used to determine and record these accounting estimates.</p>
Audit Adjustments	<p>Audit adjustments proposed by us and recorded by the Association are shown on the attached Exhibit A. The adjustments related to the modified cash basis used for reporting purposes and accrued interest expense on loans.</p>
Uncorrected Misstatements	<p>There were no uncorrected misstatements that management determined to be immaterial.</p>

Page Three

Area	Comments
Departure From the Auditor's Standard Report	Expected Emphasis-of-Matter Paragraph <p>The financial statements of the Association are prepared on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). In light of this, we expect to include a paragraph explaining this matter. Additionally, included a paragraph explaining the accounting for recognizing assessment receivables under the modified cash basis.</p>
Other Information Included in Audited Financial Statements	<p>Our responsibility for other information included in documents containing the Association's audited financial statements is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact. We read the Associations' statements of activities and changes in net assets information by line of business. We did not identify material inconsistencies with the audited financial statements.</p>
Observations About the Audit Process	Disagreements With Management <p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.</p> Consultations With Other Accountants <p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>

Page Four

Area				Comments
Observations About the Audit Process (continued)				Significant Issues Discussed With Management No significant issues arising from the audit were discussed or were the subject of correspondence with management.
				Significant Difficulties Encountered in Performing the Audit We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Association's financial and accounting personnel.
Shared Responsibilities: AICPA Independence				The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, board of directors, and audit firms work together in considering compliance with AICPA independence rules. For Thomas Howell Ferguson (THF) to fulfill its professional responsibility to maintain and monitor independence, management, the board of directors, and THF each play an important role.
				Our Responsibilities <ul style="list-style-type: none">• AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. THF is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.• Maintain a system of quality control over compliance with independence rules and firm policies.

Page Five

Area	Comments
<p>Shared Responsibilities: AICPA Independence (continued)</p>	<p>The Association’s Responsibilities</p> <ul style="list-style-type: none"> • Timely inform THF, before the effective date of transactions or other business changes, of the following: <ul style="list-style-type: none"> – New affiliates, directors, officers, or person in financial reporting oversight roles. – New beneficial owners of the Association’s equity securities that have significant influence. – Change in corporate structure impacting affiliates such as add-on acquisitions or exits. • Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations. • Understand and conclude on the permissibility, prior to the Association and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with THF. • Not entering into relationships resulting in THF, THF covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Association.
<p>Internal Control Matters</p>	<p>We have separately communicated other deficiencies identified during our audit of the financial statements in our internal control over financial reporting letter.</p>
<p>Significant Written Communications Between Management and Our Firm</p>	<p>See Exhibit B for a copy of the representation letter provided to us by the Association’s management.</p>

Page Six

This report is intended solely for the information and use of the Board of Directors, the Finance and Audit Committee, and management of the Association and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Florida Insurance Guaranty Association, Inc.

Tallahassee, Florida
NEED DATE

Florida Insurance Guaranty Association, Inc.
Year End: December 31, 2023
Journal Entries: Adjusting
Date: 1/1/2023 To 12/31/2023

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE#1	12/31/2023	Bond Interest Expense - Interim Finance/Bond Fi	4428-4				1,206,240.00		
AJE#1	12/31/2023	Amortized Bond Premium Discount	THF311.175.05			1,206,240.00			
		To record amortization of bond premium discount for Series 2023A-1 bonds							Factual
AJE#2	12/31/2023	Bond COI Expense - Bond Finance, OTH	4429-4				2,052,572.00		
AJE#2	12/31/2023	Cost of Issuance - Series 2023A Bonds	THF311.175.06			2,052,572.00			
		To reclassify cost of issuance from an expense account to a bond account							Factual
AJE#3	12/31/2023	Bond Interest Expense - Interim Finance/Bond Fi	4428-4			117,067.00			
AJE#3	12/31/2023	Cost of Issuance - Series 2023A Bonds	THF311.175.06				117,067.00		
		To adjust cost of issuance to amortized cost of issuance							Factual
AJE#4	12/31/2023	Bond Interest Expense - Interim Finance/Bond Fi	4428-4			11,449,931.00			
AJE#4	12/31/2023	Accrued Interest - Bond	THF311.175.07				11,449,931.00		
		To adjust bond interest expense for Series 2023A-1 and A-2 to actual							Factual
AJE#5	12/31/2023	Prepaid Expenses	1500	6922			1,081,562.00		
AJE#5	12/31/2023	Prepaid Expenses - Postage	1510	6922			2,480.00		
AJE#5	12/31/2023	Account Balance, Other Lines	3400-4	6922		727,803.00			
AJE#5	12/31/2023	Account Balance, Auto	3400-5	6922		33,894.00			
AJE#5	12/31/2023	Operating advance	THF-8900	6922		1,084,042.00			
AJE#5	12/31/2023	Operating advance	THF-8900	6922			761,697.00		
		To adjust beginning net assets to PY audited balances. Entry reflects the impact of PY adjustments to remove prepaid balances since reporting on the modified cash basis.							Factual
AJE#6	12/31/2023	2023A FIGA 1.0% Assessment, OTH	4005-4	7004		10,000,000.00			
AJE#6	12/31/2023	Allowance for write-off	THF 1447	7004			10,000,000.00		
		To create an additional allowance for the American Bankers.							Factual
						26,671,549.00	26,671,549.00		
Net Income (Loss)			(295,520,017.00)						

To Management and the Board of Directors
Florida Insurance Guaranty Association, Inc.

In planning and performing our audit of the financial statements of Florida Insurance Guaranty Association, Inc. (the Association) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control during our audit that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Bank Reconciliations

Performance of timely bank reconciliations, including the disposition of differences, is a key control over the cash receipt and disbursement functions. We noted a bank reconciliation that contained differences from the balance recorded in the general ledger and were not performed in a timely manner. By not timely identifying and resolving these differences, recorded balances in the general ledger may be misstated and certain internal controls over the cash receipts and disbursements process may be ineffective. We recommend the timely completion of all bank reconciliations and appropriate resolution of identified bank reconciliation differences.

Page Two

This communication is intended solely for the information and use of management, the Audit Committee, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Tallahassee, Florida
DATE

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.
SUMMARY STATEMENT OF OPERATION
FOR THE 12 MONTH(S) ENDED 12/31/2022
AUDIT ADJUSTMENTS

	UNAUDITED YTD @12/31/2022	AUDITED YTD @12/31/2022	AUDIT ADJUSTMENTS
REVENUE			
ASSESSMENT RECEIPTS	490,000,000	490,000,000	-
EARLY ACCESS	154,300,623	154,300,623	-
INTEREST INCOME	1,766,808	1,766,808	-
OTHER RECEIPTS		-	-
TOTAL REVENUE	646,067,431	646,067,431	-
EXPENSES			
CLAIMS EXPENSES			
CLAIMS FUNDING	296,260,432	673,622,392	(1) 1,633,168
CLAIMS HANDLING	11,105,430		
LOAN INTEREST EXPENSE	7,196,658		
RETURNED PREMIUM	357,426,704		
TOTAL CLAIMS FUNDING	671,989,224	673,622,392	1,633,168
DIRECT ESTATE EXPENSES	678,583	738,054	(2) 59,471
GENERAL AND ADMINISTRATIVE EXPENSES	3,930,715	2,587,875	(3) (1,342,840)
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	4,609,298	3,325,929	(1,283,369)
TOTAL EXPENSES	676,598,522	676,948,321	349,799
INCREASE (DECREASE) IN NET ASSETS	(30,531,091)	(30,880,890)	(349,799)
NET ASSETS - BEGINNING OF PERIOD	310,916,738	310,504,839	(411,899)
NET ASSETS - END OF PERIOD	280,385,647	279,623,949	(761,698)

Audited statements combined general and administrative with claims funding	(1)	1,633,168
Audited statement classified a portion of General and Administrative (\$1,633,168)		
Audited statements combined general and administrative with direct estate expense		
Audited statement classified a portion of Salaries & Benefits (\$59,471) as Direct Estate expense	(2)	59,471
Auditor adjustments to general and administrative		
	(1)	(1,633,168)
	(2)	(59,471)
Audit Adjustment	(3)	349,799
Audited statement classified a portion of general and administrative as claims expense (\$1,692,639); change in operating advance and prepaid postage (\$349,799)		(1,342,840)
		<u>349,799</u>

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.
STATEMENT OF ASSETS AND LIABILITIES
FOR THE 12 MONTH(S) ENDED 12/31/2022
(UNAUDITED) vs. AUDITED STATEMENTS

	UNAUDITED YTD @12/31/2022	AUDITED YTD @12/31/2022	AUDIT ADJUSTMENTS
ASSETS			
CASH AND CASH EQUIVALENT INVESTMENTS	132,157,821	132,157,820	(1) Rounding
SHORT TERM INVESTMENTS	29,345,754	29,345,754	-
TOTAL CASH AND S/T INVESTED ASSETS	161,503,575	161,503,574	(1)
ASSESSMENT RECEIVABLE	449,982,537	449,982,537	-
ACCRUED INTEREST INCOME	155,914	155,914	-
LONG TERM INVESTMENTS	19,843,664	19,843,665	1 Rounding
OTHER ASSETS	761,698		(761,698)
FIXED ASSETS (Net of Depreciation)	34,889		
BUILDING (Net of Depreciation)	554,510	899,399	-
LAND	310,000		
TOTAL ASSETS	633,146,787	632,385,089	(761,698)
LIABILITIES AND ACCOUNT BALANCE			
ACCOUNTS PAYABLE - OTHER	69,299	69,299	-
NOTES PAYABLE	350,000,000	350,000,000	-
INTEREST PAYABLE	2,691,841	2,691,841	-
	352,761,140	352,761,140	-
AUTO ACCOUNT BALANCE	49,409,255	49,375,361	(1) (33,894)
ALL OTHER ACCOUNT BALANCE	230,976,392	230,248,588	(1) (727,804)
	280,385,647	279,623,949	(761,698)
TOTAL LIABILITIES AND ACCOUNT BALANCE	633,146,787	632,385,089	(761,698)

(1) Operating Advance \$(752,627), Prepaid Postage (\$9,071)

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.
ADMINISTRATIVE EXPENSES
FOR THE 12 MONTH(S) ENDED 12/31/2020
AUDIT ADJUSTMENTS

	YTD @12/31/2022								
	UNAUDITED				AUDITED				
	CLAIMS & CLAIMS ADJUSTMENTS	DIRECT ESTATE EXPENSE	GENERAL & ADMINISTRATIVE	TOTAL EXPENSE	CLAIMS & CLAIMS ADJUSTMENTS	DIRECT ESTATE EXPENSE	GENERAL & ADMINISTRATIVE	TOTAL EXPENSE	AUDIT ADJUSTMENTS
BANK LOAN INTEREST	\$ 7,196,658			\$ 7,196,658	\$ 7,196,658			\$ 7,196,658	\$ -
CLAIMS PAID	664,792,567			664,792,567	664,792,567			664,792,567	-
SALARIES & BENEFITS	1,370,043	59,471	773,127	2,202,641	1,370,041	59,471	1,122,928	2,552,440	349,799
PREMISES	10,500	2,834	28,610	41,944	10,500	2,834	28,610	41,944	-
ACCOUNTING & AUDITING			55,048	55,048	-		55,048	55,048	-
BANK FEES			15,811	15,811	-		15,811	15,811	-
BOARD MEETINGS TRAVEL			248	248	-		248	248	-
CONSULTING			649,399	649,399	-		649,399	649,399	-
DUES & PUBLICATIONS	4,981	182	171,479	176,642	4,981	182	171,479	176,642	-
TECHNOLOGY	218,907	327,590	243,314	789,811	218,907	327,590	243,314	789,811	-
INSURANCE	9,535	-	84,348	93,883	9,535		84,348	93,883	-
LEGAL & LEGISLATIVE FEES	798	166,145	110,354	277,297	798	166,145	110,354	277,297	-
OFFICE SUPPLIES		19,332	8,239	27,571	-	19,332	8,239	27,571	-
POSTAGE & SHIPPING		149,471	22,433	171,904	-	149,471	22,433	171,904	-
TRAVEL & STAFF DEVELOPMENT	4,755		19,419	24,174	4,755		19,419	24,174	-
TAXES & LICENSES			19,160	19,160	-		19,160	19,160	-
COMMUNICATION	13,650	13,029	37,085	63,764	13,650	13,029	37,085	63,764	-
TOTAL EXPENSE	\$ 673,622,394	\$ 738,054	\$ 2,238,074	\$ 676,598,522	\$ 673,622,392	\$ 738,054	\$ 2,587,875	\$ 676,948,321	\$ 349,799

1,633,167

Auditor adjustments for change in operating advance

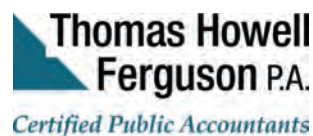
Audited statement classified a portion of general and administrative as claims expense (\$1,624,922); change in operating advance and prepaid postage (\$40,275)

Independent Accountant's Report on the
Application of Agreed-Upon Procedures



Florida Insurance Guaranty Association, Inc.

NEED DATE



Independent Accountant's Report on the Application of Agreed-Upon Procedures

To the Board of Directors
Florida Insurance Guaranty Association, Inc.

We have performed the procedures enumerated below, which were agreed to by the Florida Insurance Guaranty Association, Inc. (the Association). The Association is responsible for Administrative/Overhead Expense Allocations to insolvent estates and claims data sent to the Florida Department of Financial Services (FDFS).

The Association agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you in determining the reasonableness of Administrative/Overhead Expense Allocations to insolvent estates and the completeness of claims data sent to FDFS (the Subject Matter). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The following procedures were performed for the Association:

Procedures	Findings
1. Tested the reasonableness of Administrative/Overhead Expense Allocations to insolvent estates.	
i.) Obtained copy of Administrative/Overhead Expense allocation methodology that was utilized throughout the year ending December 31, 2023. Made inquiries to gain an understanding of the process used during the year including identification of data sources, timing of calculations, and records/reports maintained.	Completed – no exceptions.

Page Two

Procedures	Findings
ii.) Judgmentally selected two months and re-performed calculations made and traced amounts for each estate to recording in the MDP Overhead Allocation database.	Completed – no exceptions.
a. Agreed total administrative expenses for the selected month to the general ledger.	Completed – no exceptions.
b. Recalculated the current period allocation percentage using the factors and formula as described in the allocation methodology.	Completed – no exceptions.
c. Multiplied the percentage calculated in b. for each estate times the month's allocable administrative expenses and agreed result to each estate's allocated administrative expenses for the month.	Completed – no exceptions.
iii.) Obtained the year-to-date administrative/overhead expense allocation worksheet and agreed total allocated administrative expenses to general ledger and re-performed calculation of individual estate year-to-date amounts for a representative sample of estates. Compared the annual allocation percentages to the percentages for the two months tested and noted significant variances, if any.	Completed – no exception.
2. Tested data transfers to the FDFS to determine completeness.	Completed – no exception.
i.) Compared monthly 2023 UDS C records transmitted to FDFS to monthly control totals in Lightspeed summary reports for each estate.	

Page Three

Procedures	Findings
ii.) Agreed three court approved disbursements to the Association's reconciliation and the related supporting records.	Completed – no exception.
iii.) Validated the completeness of the data transmitted to FDFS by obtaining a list of all Florida estates and control totals (paid plus reserves) for three judgmentally selected months and performed the following procedures on two estates for each month selected:	Completed – no exception.
a. Agreed total paid per the FDFS transmitted reports to the general ledger and reserves per the FDFS transmitted reports to the monthly reserves report for the selected estates.	Completed – no exception.
b. Selected a sample of three UDS C transactions for each selected estate above and agreed to the claim file detail supporting the paid claim amount.	Completed – no exception.

We were engaged by the Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Subject Matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Page Four

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the Florida Insurance Guaranty Association, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Tallahassee, Florida
NEED DATE

· AGFG Audit Reports (Action)

Financial Statements
and Other Financial Information



American Guaranty Fund Group, Inc.

*Years ended December 31, 2023 and 2022
with Report of Independent Auditors*

American Guaranty Fund Group, Inc.

Financial Statements
and Other Financial Information

Years ended December 31, 2023 and 2022

Contents

Report of Independent Auditors	1
---	----------

Financial Statements

Balance Sheets	4
Statements of Operations and Changes in Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Other Financial Information

Schedule of General and Administrative Expenses - Year ended December 31, 2023	10
Schedule of General and Administrative Expenses - Year ended December 31, 2022	11

Report of Independent Auditors

The Board of Directors
American Guaranty Fund Group, Inc.

Opinion

We have audited the financial statements of American Guaranty Fund Group, Inc. (the Group) which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations and changes in equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Group and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern within one year after the date that the financial statements are issued.

Page Two

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.

Page Three

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the Schedule of General and Administrative Expenses-Year ended December 31, 2023 and Schedule of General and Administrative Expenses-Year ended December 31, 2022 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Tallahassee, Florida
NEED DATE

American Guaranty Fund Group, Inc.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Balance Sheets

	<u>December 31,</u> <u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,426,358	\$ 985,008
Accounts receivable	1,188	1,188
Due from related party	<u>12,103</u>	<u>98,805</u>
Total assets	\$ <u><u>1,439,649</u></u>	\$ <u><u>1,085,001</u></u>
Liabilities and equity		
Current liabilities:		
Unearned revenue	\$ 1,431,299	\$ 1,085,001
Due to related party	4,877	-
Other liabilities	<u>3,473</u>	<u>-</u>
Total liabilities	<u><u>1,439,649</u></u>	<u><u>1,085,001</u></u>
Equity:		
Retained earnings	<u>-</u>	<u>-</u>
Total liabilities and equity	\$ <u><u>1,439,649</u></u>	\$ <u><u>1,085,001</u></u>

See accompanying notes.

American Guaranty Fund Group, Inc.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Statements of Operations and Changes in Equity

	Years ended December 31,	
	<u>2023</u>	<u>2022</u>
Revenues:		
Reimbursements from affiliated entities	\$ <u>8,403,511</u>	\$ <u>8,343,271</u>
Total revenues	<u>8,403,511</u>	<u>8,343,271</u>
Expenses:		
Claims handling fees	542,588	2,425,348
Direct estate expenses	188,582	681,733
General and administrative expenses	7,185,088	5,288,215
Other expense (revenue)	<u>487,253</u>	<u>(52,025)</u>
Total expenses	<u>8,403,511</u>	<u>8,343,271</u>
Net income	-	-
Retained earnings at beginning of year	<u>-</u>	<u>-</u>
Retained earnings at end of year	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes.

American Guaranty Fund Group, Inc.

Statements of Cash Flows

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

	Years ended December 31,	
	<u>2023</u>	<u>2022</u>
Operating activities		
Net income	\$ -	\$ -
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	-	(1,188)
Other assets	(12,103)	-
Due from related party	98,805	(98,805)
Unearned revenue	346,298	235,001
Accounts payable and accrued expenses	<u>8,350</u>	<u>-</u>
Net cash provided by operating activities	<u>441,350</u>	<u>135,008</u>
Net increase in cash and cash equivalents	441,350	135,008
Cash and cash equivalents at beginning of year	<u>985,008</u>	<u>850,000</u>
Cash and cash equivalents at end of year	<u>\$ 1,426,358</u>	<u>\$ 985,008</u>

See accompanying notes.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Organization and Significant Accounting Policies

American Guaranty Fund Group, Inc. (the Group) began operations in January 2004 as a management services company. The Group currently provides management and administrative services to Florida Workers' Compensation Insurance Guaranty Association, Inc. (FWCIGA) and Florida Insurance Guaranty Association, Inc. (FIGA) to assist these guaranty funds in the discharge of their statutory responsibility to handle promptly and efficiently covered claims against insolvent insurers and insurer organizations. In addition, the Group, from time to time, provides claims administration services for the Florida Department of Financial Services (the Receiver) through a provider contract. FWCIGA and FIGA are members of AGFG, however control remains at the member level through equal representation on the AGFG board of directors.

With the Group providing management and administrative services to FWCIGA and FIGA, these entities are also considered related through common management.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Cash and Cash Equivalents

The financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. Cash and cash equivalents consist of demand deposits with a financial institution. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured financial institution. Bank deposits at times may exceed federally insured limits. The Group has not experienced any losses in such accounts.

For the purposes of the statements of cash flows, the Group considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

The Group recognizes reimbursements revenue in the period that services are provided. Amounts billed or collected in advance are recorded as unearned revenue.

Notes to Financial Statements

1. Organization and Significant Accounting Policies (continued)**Claims Handling Fees**

Claims handling fees are expenses incurred by the Group related to processing FWCIGA and FIGA claims. These amounts are expensed when incurred and are reimbursed by FWCIGA and FIGA.

Direct Estate Expenses

Direct estate expenses are expenses incurred by the Group related directly to the protection of FWCIGA and FIGA's interest in the administration of specific insolvent insurers' estates. These amounts are expensed when incurred and are reimbursed by FWCIGA and FIGA.

General and Administrative Expenses

General and administrative expenses are expensed when incurred and are primarily reimbursed by FWCIGA and FIGA.

Income Taxes

The Group uses the liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. There were no material temporary differences that would affect the deferred tax assets of the Group at December 31, 2023 and 2022. With few exceptions, the Group is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2019 and prior.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Group has evaluated subsequent events through NEED DATE, the date the financial statements were available to be issued. During the period from December 31, 2023 to NEED DATE, the Group did not have any material recognizable subsequent events.

Notes to Financial Statements

2. Management Services Agreements

The Group has entered into agreements with FWCIGA and FIGA to provide management and administrative services. Under the terms of the agreement, the Group provides management and administrative services to FWCIGA and FIGA, including but not limited to general management responsibility, finance and accounting, overseeing and managing the claims divisions, and managing and supervising the day to day activities. FWCIGA and FIGA reimburse the Group for all amounts paid by the Group except those related to the administration of a contract with a receiver. Costs incurred by the Group that are directly attributable to a specific entity are charged to the applicable entity. All other costs incurred by the Group are distributed equitably to FWCIGA and FIGA based on various allocation methods. The Group's contract may be terminated with 30 days written notice by either party, with or without cause. FWCIGA and FIGA each pay the Group in advance of each calendar year an amount equal to the two month average budget for their respective entity projected for the upcoming calendar year. Expenses incurred and reimbursements received by the Group under this agreement totaled \$8,403,511 and \$8,343,271 for the years ended December 31, 2023 and 2022, respectively, as reported in the statements of operations and changes in equity.

3. Revenue from Contracts with Related Parties

The following table provides information about significant changes in unearned revenue for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Unearned revenue, beginning of year	\$ 1,085,001	\$ 850,000
Increases in unearned revenue due to cash received during the year	<u>346,298</u>	<u>235,001</u>
Unearned revenue, end of year	<u>\$ 1,431,299</u>	<u>\$ 1,085,001</u>

4. Retirement Plan

The Group employees have the option of participating in the American Guaranty Fund Group, Inc. 401(k) Profit Sharing Plan (the Plan). The Plan is available to employees meeting certain entry requirements. The Group makes discretionary employer contributions to the Plan on a matching basis. Employer contributions paid for the years ended December 31, 2023 and 2022 were \$227,668 and \$225,104, respectively, and are included in salaries and benefits in the accompanying schedules of general and administrative expenses.

Other Financial Information

American Guaranty Fund Group, Inc.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Schedule of General and Administrative Expenses

Year ended December 31, 2023

	FIGA	FWCIGA	AGFG	Total
Accounting and auditing	\$ 76,687	\$ 56,159	\$ -	\$ 132,846
Bank fees	38,960	3,856	-	42,816
Communication	87,970	17,576	-	105,546
Consulting	99,846	149	-	99,995
Dues and publications	179,492	64,018	-	243,510
Technology	598,625	66,649	-	665,274
Insurance	115,671	64,923	-	180,594
Legal fees	109,682	58,995	-	168,677
Office supplies and printing	16,364	2,504	-	18,868
Postage and shipping	33,219	2,814	-	36,033
Premises	51,353	24,962	-	76,315
Salaries and benefits	2,598,502	787,801	-	3,386,303
Temp help	1,934,931	-	-	1,934,931
Taxes and licenses	18,583	22,469	-	41,052
Travel and meals	44,138	8,190	-	52,328
	<u>\$ 6,004,023</u>	<u>\$ 1,181,065</u>	<u>\$ -</u>	<u>\$ 7,185,088</u>

See report of independent auditors.

American Guaranty Fund Group, Inc.

DRAFT
For internal use and discussion
purposes only.
Not for outside distribution.

Schedule of General and Administrative Expenses

Year ended December 31, 2022

	FIGA	FWCIGA	AGFG	Total
Accounting and auditing	\$ 55,048	\$ 35,772	\$ -	\$ 90,820
Bank fees	15,811	12,681	-	28,492
Communication	50,736	11,691	-	62,427
Consulting	649,400	15,109	-	664,509
Dues and publications	176,460	58,251	-	234,711
Technology	407,321	60,093	-	467,414
Insurance	93,882	65,573	-	159,455
Legal fees	111,152	53,483	-	164,635
Office supplies and printing	8,239	2,788	-	11,027
Postage and shipping	22,433	4,012	-	26,445
Premises	39,110	22,353	-	61,463
Salaries and benefits	2,202,641	1,039,126	-	3,241,767
Taxes and licenses	19,160	18,481	-	37,641
Travel and meals	24,422	12,987	-	37,409
	<u>\$ 3,875,815</u>	<u>\$ 1,412,400</u>	<u>\$ -</u>	<u>\$ 5,288,215</u>

See report of independent auditors.

To the Board of Directors
American Guaranty Fund Group, Inc.

We are pleased to present this report related to our audit of the financial statements of American Guaranty Fund Group, Inc. (the Group) as of and for the year ended December 31, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Group's financial reporting process.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 31, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Board of Directors and the Group's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, identified significant risks, our approach to internal control relevant to the audit, and the timing of the audit.
Accounting Policies and Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Group. The Group did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Page Two

Area	Comments
Accounting Policies and Practices (continued)	Significant Accounting Policies We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Significant Unusual Transactions We did not identify any significant unusual transactions.
Management's Judgments and Accounting Estimates	Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Significant accounting estimates reflected in the Group's December 31, 2023, financial statements include unearned revenue, which is an estimated funding of expenses. The Board of Directors may wish to monitor throughout the year the process used to determine and record these accounting estimates.
Audit Adjustments	Audit adjustments proposed by us and recorded by the Group are shown on the attached Exhibit A .
Uncorrected Misstatements	There were no uncorrected misstatements that management determined to be immaterial.

Page Three

Area	Comments
Other Information Included in Annual Reports	<p>Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the Group's general and administrative expenses information. We did not identify material inconsistencies with the audited financial statements.</p>
Observations About the Audit Process	<p>Disagreements With Management</p> <p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.</p> <p>Consultations With Other Accountants</p> <p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p> <p>Significant Issues Discussed With Management</p> <p>No significant issues arising from the audit were discussed or were the subject of correspondence with management.</p> <p>Significant Difficulties Encountered in Performing the Audit</p> <p>We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Group's financial and accounting personnel.</p>

Area	Comments
Shared Responsibilities: AICPA Independence	<p data-bbox="773 394 1450 720">The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, board of directors, and audit firms work together in considering compliance with AICPA independence rules. For Thomas Howell Ferguson (THF) to fulfill its professional responsibility to maintain and monitor independence, management, the board of directors, and THF each play an important role.</p> <p data-bbox="773 751 1052 787">Our Responsibilities</p> <ul data-bbox="797 808 1450 1150" style="list-style-type: none"> <li data-bbox="797 808 1450 1024">• AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. THF is to ensure that the AICPA’s General Requirements for performing non-attest services are adhered to and included in all letters of engagement. <li data-bbox="797 1045 1450 1150">• Maintain a system of quality control over compliance with independence rules and firm policies. <p data-bbox="773 1182 1235 1218">The Association’s Responsibilities</p> <ul data-bbox="797 1239 1450 1887" style="list-style-type: none"> <li data-bbox="797 1239 1450 1686">• Timely inform THF, before the effective date of transactions or other business changes, of the following: <ul data-bbox="878 1365 1450 1686" style="list-style-type: none"> <li data-bbox="878 1365 1450 1434">– New affiliates, directors, officers, or person in financial reporting oversight roles. <li data-bbox="878 1455 1450 1560">– New beneficial owners of the Group’s equity securities that have significant influence. <li data-bbox="878 1581 1450 1686">– Change in corporate structure impacting affiliates such as add-on acquisitions or exits. <li data-bbox="797 1707 1450 1887">• Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.

Page Five

Area	Comments
Shared Responsibilities: AICPA Independence (continued)	<ul style="list-style-type: none">• Understand and conclude on the permissibility, prior to the Group and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with THF.• Not entering into relationships resulting in THF, THF covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Association.
Internal Control Matters	We did not identify any such matters requiring communication to the Board of Governors during our audit of the financial statements.
Significant Written Communications Between Management and Our Firm	See Exhibit B for a copy of the representation letter provided to us by the Group's management.

This report is intended solely for the information and use of the Board of Directors and management of the Group and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to American Guaranty Fund Group, Inc.

Tallahassee, Florida
NEED DATE

American Guaranty Fund Group, Inc.

Year End: December 31, 2023

Journal Entries: Adjusting

Date: 1/1/2023 To 12/31/2023

DRAFT
For internal use and discussion
purposes only.
Exhibit A
Not for outside distribution.

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE #1	12/31/2023	Reimbursements from affiliated entities	THF-4000	1303			8,403,511.00		
AJE #1	12/31/2023	Claims handling fees	THF-5000	1303		542,588.00			
AJE #1	12/31/2023	Direct estate expenses	THF-5001	1303		188,582.00			
AJE #1	12/31/2023	General and administrative expenses	THF-5002	1303		7,185,088.00			
AJE #1	12/31/2023	Other expenses	THF-5003	1303		487,253.00			
		to record revenues and expenses for FS purposes							Factual
						8,403,511.00	8,403,511.00		
Net Income (Loss)			0.00						

To Management and the Board of Directors
American Guaranty Fund Group, Inc.

In planning and performing our audit of the financial statements of American Guaranty Fund Group, Inc. (the Group) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Group's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, we do not express an opinion on the effectiveness of the Group's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control during our audit that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, Florida Workers' Compensation Insurance Guaranty Association, and Florida Insurance Guaranty Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Tallahassee, Florida
DATE

AMERICAN GUARANTY FUND GROUP, INC.

SUMMARY STATEMENT OF OPERATION
FOR THE 12 MONTH(S) ENDED 12/31/2023
AUDIT ADJUSTMENTS

	UNAUDITED YTD @12/31/2023	AUDITED YTD @12/31/2023	AUDIT ADJUSTMENTS
REVENUE			
MONTHLY REIMBURSEMENT	8,403,511	8,403,511	-
			-
TOTAL REVENUE	8,403,511	8,403,511	-
EXPENSES			
CLAIMS EXPENSES			
CLAIMS PAYMENTS	39,614		
CLAIMS HANDLING FEES	502,974	542,588	-
DIRECT ESTATE EXPENSE	188,582	188,582	-
TOTAL CLAIMS & DIRECT ESTATE EXPENSE	731,170	731,170	-
GENERAL AND ADMINISTRATIVE EXPENSES	7,185,088	7,185,088	-
OTHER EXPENSE	487,253	487,253	-
			-
TOTAL EXPENSES	8,403,511	8,403,511	-
INCREASE (DECREASE) IN NET ASSETS	-	-	-
NET ASSETS - BEGINNING OF PERIOD	-	-	-
NET ASSETS - END OF PERIOD	-	-	-

AMERICAN GUARANTY FUND GROUP, INC.

STATEMENT OF ASSETS AND LIABILITIES
FOR THE 12 MONTH(S) ENDED 12/31/2023
(UNAUDITED) vs. AUDITED STATEMENTS

	UNAUDITED YTD @12/31/2023	AUDITED YTD @12/31/2023	AUDIT ADJUSTMENTS
ASSETS			
CASH ON HAND AND ON DEPOSIT	1,426,358	1,426,358	-
INTERCOMPANY RECEIVABLE - FIGA	-	-	-
INTERCOMPANY RECEIVABLE - FWC	-	-	-
OTHER RECEIVABLE	13,291	13,291	-
TOTAL ASSETS	1,439,649	1,439,649	-
LIABILITIES AND ACCOUNT BALANCE			
PREPAID RENT	3,473	3,473	-
ACCOUNTS PAYABLE	4,877	4,877	-
ACCRUED LEAVE	156,001	-	-
OPERATING ADVANCE/UNEARNED REVENUE	1,275,299	1,431,299	1 Rounding
TOTAL LIABILITIES AND ACCOUNT BALANCE	1,436,177	1,436,176	1

AMERICAN GUARANTY FUND GROUP, INC.

ADMINISTRATIVE EXPENSES
FOR THE 12 MONTH(S) ENDED 12/31/2023
(UNAUDITED) vs. AUDITED STATEMENTS

	UNAUDITED YTD @12/31/2023	AUDITED YTD @12/31/2023	AUDIT ADJUSTMENTS
SALARIES & BENEFITS	3,386,303	3,386,303	-
TEMPORARY HELP	1,934,930	1,934,931	1 Rounding
ACCOUNTING & AUDITING	132,846	132,846	-
BANK FEES	42,816	42,816	-
BOARD MEETINGS TRAVEL & NOTICES	647	-	(1) (647)
(1) Audited statements grouped Board Meeting Travel with Travel & Meals			
COMMUNICATION	105,546	105,546	-
CONSULTING	99,995	99,995	-
DUES & SUBSCRIPTIONS	243,510	243,510	-
TECHNOLOGY	665,274	665,274	-
INSURANCE	180,594	180,594	-
LEGAL & LEGISLATIVE FEES	168,677	168,677	-
OFFICE SUPPLIES	18,868	18,868	-
POSTAGE & PRINTING	36,033	36,033	-
PREMISES	76,315	76,315	-
TAXES & LICENSES	41,052	41,052	-
TRAVEL & MEALS	51,681	52,328	(1) 647
(1) Audited statements grouped Board Meeting Travel (\$705) with Travel & Meals and rounding			
TOTAL ADMINISTRATIVE EXPENSE	7,185,087	7,185,088	1

° Charter / Checklist Review (Action)

· Charter (Action)

Memo

To: Board of Directors
From: Elizabeth Frisbie
Date: April 16, 2024
Re: Finance and Audit Committee Charter

The Finance and Audit Committee Charter requires that the Committee review the Charter on an annual basis and request Board approval for any changes. The annual review of the Charter is performed in conjunction with the annual meeting of the Board each year and was last revised April 9, 2018.

Staff has reviewed the Charter and has no recommended changes. Staff is seeking Committee input for any changes to the Charter. If no changes are adopted, staff asks the Committee to affirm the Charter. If changes are adopted, the revised Charter will be submitted to the Board for approval.

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

FINANCE AND AUDIT COMMITTEE CHARTER

ADOPTED: April 9, 2018

Purpose

The primary function of the Finance and Audit Committee is to assist the Board of Directors (the "Board") in fulfilling its financial and investment oversight responsibilities. The Finance and Audit Committee should review the Florida Insurance Guaranty Association's (the "Association") financial reports and other financial information; the systems of internal controls and ethics policies that the management and the Board have established; and the auditing, accounting and financial reporting process. The Finance and Audit Committee will also select vendors relative to FIGA investments; review and update the investment policy; and monitor vendor compliance with the established investment policy. Consistent with this function, the Finance and Audit Committee should foster adherence to, and should encourage continuous improvement of the Association's policies, procedures and practices. The Finance and Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Association's financial reporting process and internal control system;
- Review and appraise the audit efforts of the Association's independent auditor;
- Provide an open avenue of communication among the independent auditor, financial and senior management, and the Board.
- Select investment activity vendors and present to the Board.
- Oversee vendor compliance with investment policy and provide results to the Board.

Membership

The Finance and Audit Committee shall be comprised of three or more Board or non-Board member representatives, each of whom shall be independent of management and may not be employees of the Association, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Finance and Audit Committee. All members of the Finance and Audit Committee shall have a working familiarity with basic finance and accounting practices. Finance and Audit Committee members may desire to enhance their familiarity with finance and accounting by participating in educational programs.

The members of the Finance and Audit Committee shall be appointed by the Board Chairperson. The Board Chairperson shall appoint a Board member as the Chairperson of the Finance and Audit Committee.

Meetings

The Finance and Audit Committee shall meet at least annually, or more frequently as circumstances dictate. As part of its job to foster open communications, the Finance and Audit Committee should meet with the Executive Director and the independent auditor to discuss any matters that the Finance and Audit Committee or each of these groups believes should be discussed.

Responsibilities and Duties

The Finance and Audit Committee has the following responsibilities:

With Respect to the Independent Auditor

- Recommend to the Board the selection or termination of the independent auditor, considering independence and effectiveness and approve the fees paid to the independent auditor.
- On an annual basis, the Finance and Audit Committee should review and discuss with the auditor all significant relationships the auditor has with the Association to determine the auditors' independence.
- Review the performance of the independent auditor.
- Periodically consult with the independent auditor about the annual audit scope, internal controls and the completeness and accuracy of the Association's financial statements.

With Respect to the Financial Reporting Process

- In consultation with the independent auditor, review the integrity of the Association's financial reporting processes.
- Review the Association's annual financial statements, 990 tax return and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
- Consider the independent auditors' judgments about the quality and appropriateness of accounting principles as applied in its financial reporting.
- Consider and approve, if appropriate, major changes to auditing and accounting principles and practices as suggested by the independent auditor, management, or the internal auditing department.
- Establish regular and separate systems of reporting to the Finance and Audit Committee by management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
- Approve any non-audit services contracted with the independent auditor.
- Following completion of the annual audit:
 - Review with management and the independent auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
 - Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
 - Review with the independent auditor and the Executive Director the extent to which changes or improvements in financial or accounting practices, as approved by the Finance and Audit Committee, have been implemented.
 - Review with the independent auditor and the Executive Director the current year management letter and related findings and recommendations together with the Executive Director's responses. Also, review the status of any prior year recommendations.

With Respect to Compliance and Other Matters

- Review management's monitoring of compliance with the Association's corporate governance procedures, and ensure that management has the proper review system in place to ensure that financial statements, reports and other financial information disseminated to governmental organizations, and the public, satisfy legal requirements.
- Review with the Association's counsel, any legal matter that could have a significant impact on the Association's financial statements.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Establish, review and update periodically a Code of Business Conduct and Ethics and ensure that management has established a system to enforce this Code.
- Perform any other activities consistent with this Charter, the Association's By-laws and governing law, as the Finance and Audit Committee or the Board deems necessary or appropriate.
- The Committee shall develop and encourage an open means of communication between the Committee and employees of the Association for reporting matters involving accounting and reporting issues which appear to be contrary to the policies of the Association.
- The Committee designates its Chairperson as the liaison with the independent auditors for purposes of communications relating to internal controls, financial reporting or other matters that may arise in the discharge of the independent auditors' responsibilities.
- Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Oversee management's monitoring of investment vendor compliance with investment policies established by the Board and provide results to the Board.
- As needed, review current investment vendors and initiate process for selection of vendors and present recommendations to the Board.
- Review investment policies and procedures and make recommendations to the Board.
- Perform a substantive review of the annual audited Financial Statements for American Guaranty Fund Group ("AGFG") and provide an adoption recommendation to the Board representatives of the AGFG Board of Directors.

· Checklist

Florida Insurance Guaranty Association, Inc.
Finance and Audit Committee Charter Procedures Checklist
For the financial reporting period ending December 31, 2023

FINANCE AND AUDIT COMMITTEE CHARTER (4/9/2018)	Committee Action	Date(s) Completed	Comments
--	------------------	----------------------	----------

Purpose

The primary function of the Finance and Audit Committee is to assist the Board of Directors (the "Board") in fulfilling its financial and investment oversight responsibilities. The Finance and Audit Committee should review the Florida Insurance Guaranty Association's (the "Association") financial reports and other financial information; the systems of internal controls and ethics policies that the management and the Board have established; and the auditing, accounting and financial reporting process. The Finance and Audit Committee will also select vendors relative to FIGA investments; review and update the investment policy; and monitor vendor compliance with the established investment policy. Consistent with this function, the Finance and Audit Committee should foster adherence to, and should encourage continuous improvement of the Association's policies, procedures and practices. The Finance and Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Association's financial reporting process and internal control system;
- Review and appraise the audit efforts of the Association's independent auditor;
- Provide an open avenue of communication among the independent auditor, financial and senior management, and the Board.
- Select investment activity vendors and present to the Board.
- Oversee vendor compliance with investment policy and provide results to the Board.

Membership

The Finance and Audit Committee shall be comprised of three or more Board or non-Board member representatives, each of whom shall be independent of management and may not be employees of the Association, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Finance and Audit Committee. All members of the Finance and Audit Committee shall have a working familiarity with basic finance and accounting practices. Finance and Audit Committee members may desire to enhance their familiarity with finance and accounting by participating in educational programs.

The members of the Finance and Audit Committee shall be appointed by the Board Chairperson. The Board Chairperson shall appoint a Board member as the Chairperson of the Finance and Audit Committee.

Verify the make-up, independence and expertise of the Committee complies with the Charter.	4/24/2024	The current committee consists of insurance executive Board members that are independent of FIGA and familiar with finance and accounting practices.
Confirm that the chair and all members were properly appointed.	4/24/2024	The FIGA Board chair properly appointed the committee chair and all members.

Meetings

The Finance and Audit Committee shall meet at least annually, or more frequently as circumstances dictate. As part of its job to foster open communications, the Finance and Audit Committee should meet with the Executive Director and the independent auditor to discuss any matters that the Finance and Audit Committee or each of these groups believes should be discussed.

Ensure that the committee meets at least annually and include participation by the Executive Director and independent auditor. <i>See Compliance section below addressing communications.</i>	12/7/2023 4/24/2024	The Committee last met in December 2023 and the Executive Director and independent auditor participated at the meeting. This is the 1st meeting of 2024 and the Executive Director and independent auditor are present.
---	------------------------	---

Responsibilities and Duties

The Finance and Audit Committee has the following responsibilities:

With Respect to the Independent Auditor

Florida Insurance Guaranty Association, Inc.
Finance and Audit Committee Charter Procedures Checklist
For the financial reporting period ending December 31, 2023

FINANCE AND AUDIT COMMITTEE CHARTER (4/9/2018)	Committee Action	Date(s) Completed	Comments
➤ Recommend to the Board the selection or termination of the independent auditor, considering independence and effectiveness and approve the fees paid to the independent auditor.	Establish a process for the appointment, compensation and oversight of the independent auditors. -When warranted, termination and reappointment of a replacement auditor.		Independent Auditor engaged through 2023 cycle. THF is the current vendor for audit of all three organizations.
	Determine that the independent auditors are appropriately compensated to provide well-trained, highly experience personnel required to perform the necessary procedures for a high-quality audit.		Independent Auditor present at meeting for discussion.
	Provide an opportunity for the independent auditors to be available to the full Board of Directors at least annually to review the results of the audit.	4/24/2024	THF present to review the 2024 audit.
➤ On an annual basis, the Finance and Audit Committee should review and discuss with the auditor all significant relationships the auditor has with the Association to determine the auditors' independence.	Inquire about the independent auditors' quality control safeguards and independence.	4/24/2024	THF present to discuss quality control and independence.
	Inquire as to the results of the independent auditors' latest peer and internal reviews, as well as the status of significant litigation or disciplinary actions by regulatory bodies.	4/24/2024	THF present to discuss peer and internal review process as well as report on litigation / disciplinary action (if any).
➤ Review the performance of the independent auditor.	Review planned scope of the independent auditors, results of their work, changes in the planned scope, the extent of control testing to be performed, and the extent and appropriateness of the coordination of their activities.		Performing additional procedures to address standard DFS operational review items. See AUP engagement letter. Staff reviewed planned scope for the current year financial audit prior to fieldwork.
	Discuss with the independent auditors any significant improvement recommendations in internal controls and whether management has adequately addressed them.	4/24/2024	THF present to discuss internal control recommendations - no known recommendations.
	Discuss with the independent auditors whether they noted any instances of employee fraud, questionable or illegal payments, or violations of laws or regulations.	4/24/2024	THF present to comment on fraud and improper practices - no known issues.
	Assess whether there are adequate controls over the approval and monitoring of special or complex transactions.	12/7/2023 4/24/2024	Nothing noted for the 2023 audit cycle.
➤ Periodically consult with the independent auditor about the annual audit scope, internal controls and the completeness and accuracy of the Association's financial statements.			

With Respect to the Financial Reporting Process

➤ In consultation with the independent auditor, review the integrity of the Association's financial reporting processes.	Review management's process for identifying related party transactions.	12/7/2023 4/24/2024	Conflict of Interest Statement and Ethics Policy signed by all employees and training completed in October 2023. Board member policy signed by all Board members at annual meeting.
	Question management and the auditors about how they assess the risk of material misstatement, what the significant risks are, and how they respond to identified risks.		Management and Independent Auditor present at meeting for discussion.
	Review proposed significant, complex, and/or unusual transactions and their financial statement effects.	12/7/2023 4/24/2024	The recording of assessment revenue accruals & bond transactions are reviewed as part of the annual audit.
➤ Review the Association's annual financial statements, 990 tax return and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.	Distribute and discuss the Association's financial results and the consistency of reported and planned results. Review significant balance sheet changes or changes in trends or important financial statement relationships.	12/7/2023 4/24/2024	Current period financial statements reviewed at meetings. Monthly statements are provided to Board members as they are produced. Budget to actual variance analysis performed monthly to identify trends.
	Review Association's 990 Tax filing based upon guidelines set by the Committee.		To be addressed following the completion of the 2023 tax return.
➤ Consider the independent auditors' judgments about the quality and appropriateness of accounting principles as applied in its financial reporting.	Review Association's accounting principles (including changes in them) and practices and compare to industry norms.		THF reviews accounting policies and procedures as a standard component of their annual financial audit.

Florida Insurance Guaranty Association, Inc.
Finance and Audit Committee Charter Procedures Checklist
For the financial reporting period ending December 31, 2023

FINANCE AND AUDIT COMMITTEE CHARTER (4/9/2018)	Committee Action	Date(s) Completed	Comments
➤ Consider and approve, if appropriate, major changes to auditing and accounting principles and practices as suggested by the independent auditor, management, or the internal auditing department.	Review any new or proposed accounting and auditing topics affecting the company.	12/7/2023 4/24/2024	No changes were noted for 2023.
➤ Establish regular and separate systems of reporting to the Finance and Audit Committee by management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.	Challenge management and the auditors to identify the difficult areas (e.g. significant estimates and judgments) and to fully explain how they each made their judgments in those areas.	4/24/2024	Nothing noted for the 2023 audit cycle.
➤ Approve any non-audit services contracted with the independent auditor.	Determine if any non-audit services were performed and if so they were approved by the Committee.		Discuss engaging THF to perform AUP review. See AUP engagement letter.
➤ Following completion of the annual audit:			
▪ Review with management and the independent auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.	Inquire of Management and Independent Auditors of any audit issues, scope restrictions or information access limitations.	4/24/2024	THF and management present to discuss audit issues - no known issues.
	Inquire of the auditors about pressure by management to accept less than high-quality financial reporting.	4/24/2024	THF present to discuss pressure by management - no known issues.
▪ Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.	Determine if there were any disagreements during the annual audit and, if so, report to the committee regarding the issue and resolution.	4/24/2024	THF and management present to discuss audit disagreements - no known issues.
▪ Review with the independent auditor and the Executive Director the extent to which changes or improvements in financial or accounting practices, as approved by the Finance and Audit Committee, have been implemented.	Inquire of the auditors and Executive Director about recommended changes or improvements and management's corrective actions regarding deficiencies identified.	4/24/2024	THF present to discuss corrective actions - no known issues.
▪ Review with the independent auditor and the Executive Director the current year management letter and related findings and recommendations together with the Executive Director's responses. Also, review the status of any prior year recommendations.	Independent Auditor will present the audit report, audit opinion, Committee and internal control reports. Management letter comment (if any) and responses will be presented.	4/24/2024	THF present to review the audit report and findings.
With Respect to Compliance and Other Matters			
➤ Review management's monitoring of compliance with the Association's corporate governance procedures, and ensure that management has the proper review system in place to ensure that financial statements, reports and other financial information disseminated to governmental organizations, and the public, satisfy legal requirements.	Provide information to the Committee on the Association's structure, controls and types of transactions.		Organizational chart included for review and structure and controls discussed.
	Communicate the types of significant risks faced by the Association in the current environment including: • Significant third party administrators • Regulatory requirements		Rates and market competition, sinkholes litigation and cyber security risks. Post 2022-23 storm season claim development for small insurers in light of public adjusters, plaintiff firms and AOB.
	Evaluate whether management exhibits and fosters a culture and environment that promotes high-quality financial reporting, including addressing internal control issues.		Review of Internal Control Evaluation Document, Ethics Point (Navex) program for employee reporting.
	Determine how management is assessing the adequacy and effectiveness of internal controls.		Review of AGFG and FIGA Internal Control Evaluation documents.
➤ Review with the Association's counsel, any legal matter that could have a significant impact on the Association's financial statements.	Receive an update from the General Counsel on legal and regulatory matters that may have a material effect on the financial statements violations of laws or breaches of fiduciary duties.	12/7/2023 4/24/2024	General Counsel attends meetings and provides a verbal report - to date no matters have been reported.
➤ Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.	Engage internal and external resources as the Committee determines necessary to carry out its duties.	12/7/2023 4/24/2024	Nothing noted for the 2023 audit cycle.
➤ Establish, review and update periodically a Code of Business Conduct and Ethics and ensure that management has established a system to enforce this Code.	Require staff to review the Code of Conduct and Ethic policy annually to confirm appropriateness. Recommend changes as needed and requests Committee / Board approval as necessary.	4/24/2024	Staff reviewed and policy remains appropriate. No changes are recommended.

Florida Insurance Guaranty Association, Inc.
Finance and Audit Committee Charter Procedures Checklist
For the financial reporting period ending December 31, 2023

FINANCE AND AUDIT COMMITTEE CHARTER (4/9/2018)	Committee Action	Date(s) Completed	Comments
<p>➤ Perform any other activities consistent with this Charter, the Association's By-laws and governing law, as the Finance and Audit Committee or the Board deems necessary or appropriate.</p>	Prepare minutes for all meetings and circulate in draft form to members prior to being finalized.	12/7/2023 4/24/2024	Draft minutes are sent to committee members prior to the meeting in the committee meeting materials.
	Assess whether the Association has an appropriate business continuity plan and whether that plan has been tested.	4/24/2024	Disaster Recovery / Business Continuity Plans were reviewed and tested during 2023. Plans will be reviewed again in advance of the 2024 storm season.
	Receive update from management about reports received from regulators and their responses to those reports.	12/7/2023 4/24/2024	No regulatory reports received.
	Provide meaningful and focused updates to the Board of Directors after each committee meeting.	12/7/2023 4/24/2024	Chairman's report of Committee activities - standard agenda item for the board meeting.
	Provide vehicle for employees or others to have direct access to Finance and Audit committee to report concerns.		Ethics Point (Navex) reporting available to all employees for anonymous reporting with direct feed to AGFG General Counsel then to Board Chair.
	Annual Report to the full Board of Directors on the Finance and Audit committee functions during the year with their completion following the Finance and Audit Committee Charter Checklist.	4/24/2024	Committee chair to report to the full Board upon completion of the Charter Checklist.
	Discuss the Committee's communication and performance expectations with management and independent auditors.	12/7/2023 4/24/2024	Ongoing - discussed at each committee meeting.
	Chairperson is the liaison to the independent auditor and direct contact is made as needed.	12/7/2023 4/24/2024	Chairperson and Independent Auditor attends committee and Board meetings and direct contact is made on an as needed basis.
	Review the Finance and Audit Committee Charter to determine whether its responsibilities are adequately described.	4/24/2024	Charter reviewed at annual meeting each year. Detailed session discussing progress on checklist items held each meeting and deliberated as required.
	Develop a checklist to make sure that the committee meets its responsibilities as outlined in its Charter.	12/7/2023 4/24/2024	This is a working document. The blank template is provided each year and is finalized upon completion of the annual audit.
➤ The Committee shall develop and encourage an open means of communication between the Committee and employees of the Association for reporting matters involving accounting and reporting issues which appear to be contrary to the policies of the Association.	Inquire as to the results of management's monitoring of investment vendors as to compliance with investment policies.	12/7/2023 4/24/2024	Investment report prepared and reviewed monthly. Managers provide monthly compliance reports that are reviewed by staff and managers consulted as necessary.
➤ The Committee designates its Chairperson as the liaison with the independent auditors for purposes of communications relating to internal controls, financial reporting or other matters that may arise in the discharge of the independent auditors' responsibilities.	Review current investment vendor contracts and periodically initiate a market review of other available vendors.	4/24/2024	Investment manager and custodian RFP's conducted in 2010-2011. Reviewed contracts and both manager are compliant and performing well.
➤ Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.	Review investment policies and procedures and current market conditions.		Continued monitoring of overall investment results. Investment Policy is under review at this meeting with changes recommended by both the investment consultant and managers. These changes will be presented for review and approval by the Committee with recommendation to the Board.
➤ Confirm annually that all responsibilities outlined in this charter have been carried out.	Review current investment performance and make recommendations to the Board.	12/7/2023 4/24/2024	Provided in Chairman's report of committee activities.
➤ Oversee management's monitoring of investment vendor compliance with investment policies established by the Board and provide results to the Board.	Detailed review of the annual audit of the American Guaranty Fund Group. Make adoption recommendation to the FIGA representatives of the AGFG Board of Directors.	4/24/2024	THF present to review the AGFG audit report - no known issues.
➤ As needed, review current investment vendors and initiate process for selection of vendors and present recommendations to the Board.			
➤ Review investment policies and procedures and make recommendations to the Board.			

CLAIMS REPORT

- Claims Activity Report February 29, 2024
- Claims Activity Summary February 29, 2024
- Claims Insolvency Update
- TPA and Field Adjusters Agreement

- Claims Activity Report February 29, 2024

Claim Activity Report

Inception-to-Date Totals on Active Estates

As of: 2/29/2024



			Claim Count			ITD Payment Activity					Outstanding Reserves			
Estate Name	Insolv Date	ST	Open	Closed	Total	Loss	Expense	UEP	Total	ITD Recovered	Loss	Expense	Total	Total Incurred
United P&C	2/27/2023	FL	2,876	20,979	23,855	406,068,045	10,129,930	20,602,409	436,800,385	(150,752)	92,504,751	6,665,061	99,169,812	535,819,445
Southern Fidelity	6/15/2022	FL	867	5,910	6,777	76,621,610	5,892,869	90,962,251	173,476,730	(172,743)	17,713,589	3,001,700	20,715,289	194,019,276
FedNat	9/27/2022	FL	832	3,183	4,015	50,273,586	1,850,503	2,172,969	54,297,058	(3,073)	30,379,686	9,984,994	40,364,680	94,658,665
St Johns	2/25/2022	FL	526	5,238	5,764	95,725,800	6,078,356	171,900,746	273,704,901	(28,886)	14,940,742	1,632,557	16,573,299	290,249,314
Avatar	3/14/2022	FL	443	2,834	3,277	58,480,079	6,379,724	31,453,145	96,312,948	(45,443)	11,536,057	1,662,326	13,198,383	109,465,888
Gulfstream	7/28/2021	FL	123	2,229	2,352	44,650,257	5,023,112	36,541,740	86,215,109	(17,062)	4,936,916	476,621	5,413,537	91,611,584
Lighthouse	4/28/2022	LA	94	1,177	1,271	21,194,328	1,138,489	29,026,861	51,359,677	(15,454)	3,771,224	268,109	4,039,334	55,383,557
WESTON	8/9/2022	FL	46	420	466	17,483,554	288,116	37,417,770	55,189,440	(113)	1,682,295	136,768	1,819,063	57,008,390
Windhaven Ins Co	1/6/2020	FL	30	26,323	26,353	39,405,421	2,244,935	727,460	42,377,815	(648,534)	68,491	141,386	209,877	41,939,158
American Capital	4/14/2021	FL	15	321	336	312,212,110	6,987,382	27,750,160	346,949,653	(1,500,676)	31,541,554	496,550	32,038,105	377,487,082
Florida Specialty	10/2/2019	FL	15	3,662	3,677	42,690,878	7,497,967	33,452,398	83,641,243	(145,927)	343,000	87,762	430,762	83,926,078
Sawgrass	11/28/2018	FL	12	55	67	177,391	38,205	-	215,595	(56)	320,000	42,603	362,603	578,142
Global Liberty	10/12/2021	NY	9	30	39	3,561,715	387,850	-	3,949,565	-	747,505	87,517	835,022	4,784,587
Windhaven National	3/5/2020	TX	6	6,507	6,513	30,234,754	471,530	1,716,707	32,422,992	(755,978)	9,972	22,848	32,820	31,699,833
Arrowood	11/8/2023	DE	4	-	4	-	-	-	-	-	60,000	60,000	120,000	120,000
Homewise	11/18/2011	FL	2	1,654	1,656	23,090,970	7,484,679	725,025	31,300,674	(390,733)	75,001	15,046	90,047	30,999,989
Homewise Preferred	11/4/2011	FL	2	755	757	40,545,273	12,519,485	10,954	53,075,712	(669,789)	63,225	16,512	79,737	52,485,660
AequiCap	3/7/2011	FL	1	1,566	1,567	48,881,258	9,533,263	4,185,709	62,600,230	(324,664)	-	-	-	62,275,567

Total: 18 estates	5,903	82,843	88,746	1,311,297,028	83,946,394	488,646,306	1,883,889,728	(4,869,882)	210,694,007	24,798,361	235,492,368	2,114,512,214
-------------------	-------	--------	--------	---------------	------------	-------------	---------------	-------------	-------------	------------	-------------	---------------

- Claims Activity Summary February 29, 2024

2024 Claim Activity Summary

As of: 2/29/2024



	AUTO		ALL OTHER		Total	
	February	2024	February	2024	February	2024
Beginning Claim Count	46	51	6393	7466	6439	7517
New Claims	0	2	220	461	220	463
Reopened Claims	3	5	1176	2106	1179	2111
Closed Claims	3	12	1932	4176	1935	4188
Ending Claim Count	46	46	5857	5857	5903	5903

- Claims Insolvency Update
-

Memo

To: Board of Directors
From: Bill Hughes
Date: April 25, 2024
Re: Claims Strategy and Insolvency Update

Claims Strategies

Each estate has its own unique situations or nuances and claims are handled on their own merits however here are strategies we are using to move claims forward to conclusion.

1. CaseGlide

- a. Consolidated litigation and assigned pre-FIGA named suits to defense counsel into CaseGlide. This allows for more of a complete history and chronology of the law suit as there is direct file by file communication between the defense attorney and the adjuster including discovery, demands and offers.
- b. Completed a data call from the TPAs to obtain the settlement demands and offers, identifying 'low hanging fruit' for claim resolution. This was entered into CaseGlide. The listing of the demands and offers are easily obtained via canned reports in CaseGlide.
- c. Identified law firms with groups of claims to arrange settlement conferences leading to quicker settlements. So far we have had 4 settlement conferences and resolved over 100 claims. We continue to search for more opportunities here.

2. Temporary In-House Adjusters

- a. We have on-boarded an additional 6 experienced temporary adjusters to handle litigation. This brings our in-house adjusting staff up to 15. They have produced 2x the closings of the TPA adjusters given their expertise and experience. These adjusters are very skilled at negotiating with attorneys and reaching settlements.
- b. Currently we have 1,125 claims in-house which represents almost 20% of the pending claims.
- c. We are peeling off TPA litigation as we can including claims off diary and reassigning to our internal adjusters who are better skilled at handling these claims. Note that the temporary in-house adjusters are under one FIGA manager for better control and consistency.
- d. We are bring older estates in-house as the pending reduces near 100 claims or as in-house capacity allows. The more we can bring in-house the more control we have on the claims and the greater the expense savings.

3. Licensed and Bonded Contractors

- a. When needed, we are having licensed and bonded contractors reinspect losses to provide more accurate and current damage assessments. This serves two purposes. The first of which is to provide a source as to who can do the repairs and second to provide a source as to who can perform under the Right to Repair clause of the policy.

4. Right To Repair

- a. The right to repair option in the policy allows for FIGA to directly repair the damaged property if no prior payment has been made.
- b. The right to repair option provides a strong negotiating point when discussing settlements with public adjusters and attorneys as the payment goes directly to the vendor contractor doing the actual work. There is no payment or payee that includes the attorney or public adjuster.

5. Mediations

- a. In the instance where an adjuster can't reach a settlement through negotiations, can't utilize right to repair because a payment or undisputed payment has already been made or the difference between the attorney or public adjuster's demand is too great, then we are moving the claim to non-DFS mediation.
- b. In mediation the policyholder will hear both sides of claim and damage, including any other outstanding issues and in most cases agree on a settlement at mediation or shortly thereafter.

6. Appraisals

- a. Fortunately the UPC policy took back the appraisal clause and process.
- b. Appraisal used to be a timely and economical way to resolve claims however the umpires have been way more plaintiff oriented with their awards approaching 70% of the plaintiff's demand. Therefore we have moved away from this as much as possible.

Insolvency Update

UPC Insurance Company- Liquidation Date 2/27/23

UPC was a Florida domestic P & C insurance company based out of St. Petersburg, Florida who wrote personal and some commercial policies.

As of 2/29/24, one year since the insolvency, we are 88% closed. We have 2,876 claims left to resolve, mostly from Hurricane Ian. About 30% of the 2,876 remaining claims are FIGA named lawsuits. Many of these claims have very large damage discrepancies between what the public adjusters or attorneys have submitted compared to the UPC or Field adjuster's estimates.

Our strategy here is to have a licensed and bonded General Contractor reinspect the loss for a fresh look and current pricing of the damages. Then afterwards, the adjusters are either negotiating settlements from the contractor's estimate, moving to Right to Repair or moving to Mediation where the Policyholder can hear and understand FIGA's position on their claim. We are having good success with these strategies as they are facilitating settlements as well as mitigating future legal expenses.

For UPC we started out with 16,000 claims, since then it has grown to almost 24,000 claims (23,855). We were using 8 TPAs, then expanded to 9 to improve service and closings. Currently there are around 80 adjusters and team leads working these remaining claims.

Southern Fidelity- Liquidation Date 6/15/2022

Southern Fidelity was a Florida domestic company based out of Tallahassee, Florida. They wrote personal lines homeowners and some liability policies.

As of 2/29/24 we have received 6,777 claims and have closed 5,910 or 87%. Of the 867 claims remaining, 72% are FIGA named lawsuits. The strategy for handling the remaining 13% of the claims is similar to that of UPC. If there are large discrepancies in damages, the adjuster will send out a vetted contractor to reinspect, then upon receipt of their estimate they will negotiate a settlement, move to Right to Repair or Mediation. This strategy has been effective for positioning claims for settlement. The adjusters are pro-actively working the claims forward as opposed to waiting for a judge to move it to pre-trial mediation.

Waiting for a judge's order of mediation is not time efficient getting the claim resolved for the policyholder.

FedNat Insurance Company-Liquidation Date 9/27/2022

FedNat Insurance Company was a Florida domestic P & C company based out of Sunrise, Florida who wrote personal and commercial lines risks.

As of 2/29/24 we have received 4,015 and closed 3,183 or about 80%. Of the 832 open pending, around 44% of the pending (364) are Construction Defect claims that had a long tail even before the insolvency occurred.

These claims involve complex coverage issues with other primary and excess carriers, law firms and adjusters. With multiple entities involved, these take longer to resolve trying to reach agreements with everyone.

We are fortunate that our defense council (Doug Wall with Williams Chartered PA) is very familiar with many of the parties which helps achieve settlements. Our strategy here is using defense counsel to contact the parties involved, discuss what the main issues are and facilitate settlements which limit our expose. The non-construction defect claims are being handled with the strategies as previous discussed.

St Johns Insurance Company- Liquidation Date 2/25/22

St Johns was a Florida Domestic company based in Orlando, Florida that wrote personal lines homeowner's policies.

As of 2/29/24 we have received 5,764 claims and closed 5,238 or 91%. Of the remaining 526 claims, 72% (378) are FIGA named lawsuits primarily involving roof disputes from Hurricane Irma. Again we are using the same strategy of having a contractor re-inspect the property for a fresh look at the damages, then trying to negotiate a settlement, moving to Right to Repair or Mediation. The adjusters are proactively handlings to resolve the last 9% of this estate.

Avatar P & C Insurance Company- Liquidation Date 3/14/22

Avatar was a Florida domestic company based out of Tampa, Florida who wrote personal lines homeowner's policies. Similar to St Johns and Gulfstream.

As of 2/29/24 we have received 3,277 claims and closed 2,834 or around 87%. The remaining 443 claims are primarily roof disputes due to Hurricane Irma and are being handled similar to the other homeowner estates. Regarding litigation, 288 or 65% these claims are FIGA named lawsuits. The strategy for resolving these is similar to the other estates. When the TPA adjusters reduce the pending in this estate to

around 100 claims then we will consider moving the remaining claims to our in-house adjusters, as we have with other estates.

Gulfstream- Liquidation Date 7/28/21

Gulfstream was a Florida Domestic company based in Sarasota, FL. who wrote personal lines homeowners policies.

This estate is similar to the other homeowner estates. We have received 2,352 claims and have closed 2,229 or 95%. We moved the remaining Gulfstream claims to our temporary in-house adjusters in November 2023. Since that time the in-house adjusters have closed nearly half of the open pending claims reducing it down to 123. Note that 96 or 78% of the remaining 123 claims are FIGA named lawsuits. The adjusters are working diligently to resolve these remaining claims.

- TPA and Field Adjusters Agreement
-

Memo

To: Board of Directors
From: Bill Hughes
Date: April 25, 2024
Re: Annual Review of TPA and Field Adjusting Contracts

Annual Review of TPA and Field Adjusting Contracts.

We work with a panel of 32 approved TPA partners who operate under a Master Services Agreement.

Fee arrangements are determined for each new estate based on the type and complexity of the claims.

There are currently 11 active TPAs providing services to FIGA for the remaining open estates.

We are well positioned and can scale as needed for any future insolvencies.

Regarding Field Adjusting Services, we work with a panel of 14 approved vendors. They are contracted through 6/30/25.

The fee arrangements are based on competitive time and expense rates.

Our goal is to initiate a Field Services Invitation to Bid in late 2024 to enhance our service level agreements and provide a more customer centric experience for the policyholders.

FINANCIAL REPORT

- FIGA Financial Statements February 29, 2024
- Cash Balance Forecast
- AGFG Financial Statements February 29, 2024

- FIGA Financial Statements February 29, 2024
-

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

2/29/2024

MODIFIED CASH BASIS (UNAUDITED)

	AS OF 2/29/2024	AS OF 2/28/2023
ASSETS		
CASH AND SHORT-TERM INVESTMENTS:		
CASH ON DEPOSIT AND CASH EQUIVALENT	\$ 103,063,224	\$ 53,617,002
2022A TRUST I 1.3%	59,447,546	84,825,849
2022B TRUST II 0.7%	21,178,786	-
RESTRICTED - 2023A BOND 1.0%	96,784,646	-
SHORT TERM INVESTMENTS	23,409,310	24,182,998
TOTAL CASH AND SHORT-TERM INVESTMENTS	303,883,512	162,625,849
ASSESSMENT RECEIVABLE	-	380,260,639
ASSESSMENT RECEIVABLE 2023A 1.0%	207,974,197	-
LONG TERM INVESTMENTS	7,522,636	17,323,228
PREPAID BOND COSTS	1,867,087	-
ACCRUED INTEREST INCOME	130,869	440,303
FIXED ASSETS, NET	44,592	33,941
BUILDING, NET	537,739	547,124
LAND	310,000	310,000
OTHER ASSETS	96,097	784,158
TOTAL ASSETS	\$ 522,366,729	\$ 562,325,242
LIABILITIES AND NET ASSETS		
LIABILITIES:		
SERIES 2023A BONDS (NET)	\$ 590,325,000	\$ -
BOND PREMIUM	16,284,242	-
ACCRUED INTEREST	26,339,318	-
ASSESSMENT LOAN	-	344,886,129
ACCOUNTS PAYABLE	651,645	226,094
TOTAL LIABILITIES	633,600,205	345,112,223
NET ASSETS:		
AUTO ACCOUNT BALANCE	53,913,252	48,953,442
ALL OTHER ACCOUNT BALANCE	(165,146,728)	168,259,577
TOTAL NET ASSETS	(111,233,476)	217,213,019
TOTAL LIABILITIES AND NET ASSETS	\$ 522,366,729	\$ 562,325,242

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE 2 MONTH(S) ENDED 2/29/2024

MODIFIED CASH BASIS (UNAUDITED)

	Auto YTD	All Other YTD	TOTAL YTD	PREVIOUS YTD
REVENUE:				
ASSESSMENTS - 2021 0.7%	\$ -	\$ 351,432	\$ 351,432	\$ -
ASSESSMENTS - 2022A 1.3%	-	6,738,140	6,738,140	-
ASSESSMENTS - 2022B 0.7%	-	29,498,299	29,498,299	-
ESTATE DISTRIBUTIONS AND CLAIM RECOVERIES	6,785	367,597	374,382	20,982
INTEREST INCOME, NET OF RELATED EXPENSES	2,034	2,861,006	2,863,040	925,933
TOTAL REVENUE	8,819	39,816,474	39,825,293	946,915
EXPENSES:				
FINANCE/BONDS				
INTEREST EXPENSE	-	15,526,305	15,526,305	2,281,031
BOND ISSUANCE COSTS	-	70,924	70,924	-
OPERATIONS				
CLAIMS PAID	(13,214)	114,761,645	114,748,431	55,558,157
CLAIMS HANDLING FEES	2,104	3,140,083	3,142,187	2,873,389
RETURNED PREMIUM	-	520,826	520,826	2,542,366
DIRECT ESTATE EXPENSES	959	23,681	24,640	37,783
GENERAL & ADMIN EXPENSES	2,199	1,373,266	1,375,465	826,817
TOTAL EXPENSES	(7,952)	135,416,730	135,408,778	64,119,543
CHANGE IN NET ASSETS	16,771	(95,600,256)	(95,583,485)	(63,172,628)
NET ASSETS - BEGINNING OF PERIOD	53,896,481	(69,546,472)	(15,649,991)	280,385,647
NET ASSETS - END OF PERIOD	\$ 53,913,252	\$ (165,146,728)	\$ (111,233,476)	\$ 217,213,019

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

ADMINISTRATIVE EXPENSES
FOR THE 2 MONTH(S) ENDED 2/29/2024
MODIFIED CASH BASIS (UNAUDITED)

	<u>CURRENT</u> <u>MONTH</u>	<u>CURRENT</u> <u>YEAR TO DATE</u>	<u>PREVIOUS</u> <u>YEAR TO DATE</u>
ADMINISTRATIVE EXPENSES			
SALARIES & BENEFITS	\$ 179,834	\$ 352,240	\$ 493,612
TEMPORARY HELP	297,845	619,690	-
PREMISES	4,205	8,664	7,946
ACCOUNTING & AUDITING	1,437	10,572	2,961
BANK FEES	83	83	692
BOARD MEETINGS TRAVEL	-	-	69
COMMUNICATION	12,172	14,156	8,772
CONSULTING	5,000	25,400	-
DUES & PUBLICATIONS	7,376	184,903	171,462
INSURANCE			-
LEGAL & LEGISLATIVE FEES	48,197	53,609	60,178
OFFICE SUPPLIES	1,284	2,298	2,524
POSTAGE & SHIPPING	3,121	6,121	3,601
TAXES & LICENSES	-	-	31
TECHNOLOGY	51,961	80,271	57,982
TRAVEL & STAFF DEVELOPMENT	7,280	8,441	3,782
EXPENSES BEFORE DEPRECIATION	619,795	1,366,448	813,612
DEPRECIATION EXPENSE	4,509	9,017	13,205
TOTAL ADMINISTRATIVE EXPENSES	\$ 624,304	\$ 1,375,465	\$ 826,817

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.
BUDGET STATUS REPORT
FOR THE 2 MONTH(S) ENDED 2/29/2024
MODIFIED CASH BASIS (UNAUDITED)

	<u>MONTH</u> <u>ACTUAL</u>	<u>MONTH</u> <u>BUDGET</u>	<u>FAVORABLE</u> <u>(UNFAV)</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>FAVORABLE</u> <u>(UNFAV)</u>
ADMINISTRATIVE EXPENSES						
SALARIES & BENEFITS	\$ 179,834	\$ 208,249	\$ 28,415	\$ 352,240	\$ 416,498	\$ 64,258
TEMPORARY HELP	297,845	271,185	(26,660)	619,690	592,370	(27,320)
PREMISES	4,205	4,332	127	8,664	8,664	-
ACCOUNTING & AUDITING	1,437	23,546	22,109	10,572	35,092	24,520
BANK FEES	83	2,250	2,167	83	4,500	4,417
BOARD MEETINGS TRAVEL	-	-	-	-	-	-
COMMUNICATION	12,172	4,717	(7,455)	14,156	9,434	(4,722)
CONSULTING	5,000	1,666	(3,334)	25,400	24,332	(1,068)
DUES & PUBLICATIONS	7,376	1,247	(6,129)	184,903	178,280	(6,623)
INSURANCE	-	-	-	-	-	-
LEGAL & LEGISLATIVE FEES	48,197	49,500	1,303	53,609	55,875	2,266
OFFICE SUPPLIES	1,284	866	(418)	2,298	1,732	(566)
POSTAGE & SHIPPING	3,121	1,545	(1,576)	6,121	3,090	(3,031)
TAXES & LICENSES	-	-	-	-	-	-
TECHNOLOGY	51,961	38,294	(13,667)	80,271	71,588	(8,683)
TRAVEL & STAFF DEVELOPMENT	7,280	3,497	(3,783)	8,441	6,994	(1,447)
TOTAL ADMINISTRATIVE COSTS	\$ 619,795	\$ 610,894	\$ (8,901)	\$ 1,366,448	\$ 1,408,449	\$ 42,001
CAPITAL EXPENDITURES				\$ 23,091	\$ 4,833	\$ (18,258)

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

Year-to-Date Budget Variance Report
For the 2 Month(s) Ending 2/29/2024

At the end of February 2024, there was an **unfavorable** budget variance of \$42,001 in administrative costs.
Explanations are provided below for all G&A accounts with YTD variances over \$10,000.

Salaries and Benefits

Under budget by \$64,258

Salaries are under budget due to vacant FIGA claim managers and administrative positions.

Temporary Help

Over budget by \$27,320

Temporary Help is over budget due to temporary FIGA claim managers and administrative positions needed for the UPC insolvency.

Accounting and Auditing

Under budget by \$24,520

The variance is due to the timing of the 2023 Audit billing.

- Cash Balance Forecast
-

Memo

To: Board of Directors
 From: Liz Frisbie
 Date: April 25, 2024
 Re: Cash Forecast Update as of February 2024

During the March 31, 2023 FIGA Board meeting, the Board approved the need for a 1% emergency assessment and approved the resolution authorizing FIAIA to borrow \$150M in bond anticipation notes and up to \$750M in permanent financing.

We regularly monitor the All Other Account fund balance to ensure funds are available to pay future claims. *Exhibit 1: Quarterly Cash Balance, Reserves and Surplus(Deficit) Forecast – All Other Account* illustrates cash balance, reserves and Surplus/(deficit) by quarter from February 29, 2024 through June 30, 2025.

The cash balance for All Other Account as of February 29, 2024 was **\$74M**. Outstanding loss and loss expense reserves for the same period were **\$234 million** leaving FIGA's Other Account with a **\$160 million** deficit.

To make up this shortfall, FIGA expects funding from two sources: Assessment revenue and Estate reimbursements. OIR approved the Board's three assessment requests, one request made in 2021, and two requests made in 2022. Collections continue to come in above our targeted estimates. In April 2023, OIR approved the Board's fourth assessment, the 1% annual assessment, which is extended until the bonds are paid off. FIGA expects to collect \$250-\$280M annually related to that assessment. All collections for the 1% emergency surcharge are pledged as collateral and restricted until the bonds are paid in full.

In addition to assessment proceeds, FIGA recovered **\$199M** in reimbursement in April from the Florida Hurricane Cat Fund and anticipates receiving **\$157M** for the UPC estate from the Receiver.

No assessment is recommended for the All Other Account at this time.

Assessment Recap

Assessment	Policy Effective Dates	Estimated Total Collections	Collected	To be Collected
2021 0.7%	1/1/22-12/31/22	\$168M	\$182M	\$0
2022A 1.3%	7/1/22-6/30/23	\$318M	\$367M	\$0
2022B 0.7%	1/1/23-12/31/23	\$172M	\$180M	\$0
2023 1.0%*	10/1/23-9/30/24	\$250-280M/year	\$64M	\$186-216M/year

*Emergency Assessment, extended until bonds are extinguished

Florida Insurance Guaranty Association
Exhibit 1: Quarterly Cash Balance, Reserves and Surplus/(Deficit) Forecast
All Other Account
Updated as of February 29, 2024

(in millions)

Scenarios	Feb 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25
<u>1. Current Situation</u>						
Cash Balance	\$ 73.7	\$ 277.2	\$ 194.6	\$ 115.6	\$ 107.3	\$ 103.4
Reserves	234.4	150.4	117.4	89.4	78.4	71.4
Surplus (Deficit)	(160.7)	126.8	77.2	26.2	28.9	32.0

Key Assumptions:

- 1) \$157 million distribution expected from DFS for multiple estates
- 2) \$199 million FHCF recoveries received for UPC Ian
- 4) \$62 - \$20 million monthly claim payments
- 5) \$12.6 million annual savings in claim handling fees

- AGFG Financial Statements February 29, 2024
-

American Guaranty Fund Group, Inc.
BALANCE SHEET
2/29/2024
GAAP BASIS (UNAUDITED)

	AS OF
	2/29/2024
ASSETS	
CASH ON HAND AND ON DEPOSIT	\$ 681,431
ACCOUNTS RECEIVABLE - FIGA	641,639
ACCOUNTS RECEIVABLE - FWC	111,702
ACCOUNTS RECEIVABLE - OTHER	-
TOTAL ASSETS	\$ 1,434,773
LIABILITIES	
PREPAID RENT	\$ 3,473
ACCRUED LEAVE	156,001
OPERATING ADVANCE	1,275,299
FUND/ACCOUNT BALANCE	0
TOTAL EQUITY AND LIABILITIES	\$ 1,434,773

American Guaranty Fund Group, Inc.

BUDGET STATUS REPORT
FOR THE 2 MONTH(S) ENDED 2/29/2024

	ACTUAL YEAR TO DATE			BUDGET YEAR TO DATE			FAV (UNFAV)
	FIGA	FWC	TOTAL	FIGA	FWC	BUDGET	
ADMINISTRATIVE EXPENSES							
SALARIES & BENEFITS	\$ 352,240	\$ 99,144	\$ 451,384	\$ 416,498	\$ 128,414	\$ 544,912	\$ 93,528
TEMPORARY HELP	619,690	-	619,690	592,370	-	592,370	(27,320)
PREMISES	8,664	4,570	13,234	8,664	4,056	12,720	(514)
ACCOUNTING & AUDITING	10,572	8,773	19,345	35,092	33,346	68,438	49,093
BANK FEES	83	-	83	4,500	500	5,000	4,917
BOARD MEETINGS TRAVEL	-	91	91	-	-	-	(91)
COMMUNICATION	14,156	4,035	18,191	9,434	2,102	11,536	(6,655)
CONSULTING	25,400	-	25,400	24,332	832	25,164	(236)
DUES & PUBLICATIONS	184,903	61,317	246,220	178,280	61,624	239,904	(6,316)
INSURANCE	-	-	-	-	-	-	-
LEGAL & LEGISLATIVE FEES	53,609	47,145	100,754	55,875	46,625	102,500	1,746
OFFICE SUPPLIES	2,298	574	2,872	1,732	432	2,164	(708)
POSTAGE & SHIPPING	6,121	74	6,195	3,090	390	3,480	(2,715)
TAXES & LICENSES	-	-	-	-	-	-	-
TECHNOLOGY	80,271	13,726	93,997	71,588	9,448	81,036	(12,961)
TRAVEL & MEETINGS	8,441	2,423	10,864	6,994	4,156	11,150	286
TOTALS EXPENDITURES	\$ 1,366,448	\$ 241,872	\$ 1,608,320	\$ 1,408,449	\$ 291,925	\$ 1,700,374	\$ 92,054

AGFG
Year-to-Date Budget Variance Report
For the 2 Month(s) Ending 2/29/2024

<p>At the end of February 2024, there was an unfavorable budget variance of \$92,054 in administrative costs. Explanations are provided below for administrative accounts with YTD variances over \$15,000.</p>

Salaries & Benefits

Under budget by \$93,528

Salaries are under budget due to vacant FIGA claim managers and administrative positions.

Temporary Help

Over budget by \$27,320

Temporary Help is over budget due to temporary FIGA claim managers and administrative positions needed for the UPC insolvency.

Accounting and Auditing

Under budget by \$49,093

The variance is due to the timing of the 2023 Audit billing.

OPERATIONS REPORT

- Plan of Operation Review (Action)
- Consumer Service Plan
- 2023 / 2024 Organizational Goals
- Annual Review of Contracts and Vendors
- Business Insurance Review
- Conflict of Interest Policy
- 2023 Annual Report

- Plan of Operation Review (Action)
-

Memo

To: Board of Directors
From: Corey Neal
Date: April 16, 2024
Re: Plan of Operation Review

Article V.E. of the Plan of Operation requires that the Board hold an annual meeting during which the Board shall “review the Plan and submit proposed amendments which have been approved by an affirmative vote of six (6) Board members, to the Department for approval or rejection.”

A copy of the current Plan, approved by the Florida Department of Financial Services on June 12, 2017, and by the Board on May 11, 2017, follows this memorandum.

Staff has no recommended changes to the Plan at this time. However, Staff will review the impact of HB 989 with General Counsel to determine if future changes to POO are required.

Impact of House Bill 989 on FIGA

A bill sponsored by the CFO (House Bill 989) passed both chambers of the Florida legislature during the 2024 general session and will become effective once the Governor signs it into law. HB 989 requires DFS approval for all FIGA contracts and purchases over \$100,000. In addition, the Board must conduct a formal bid solicitation for all purchases and contracts exceeding \$100,000. However, Defense counsel and claims vendors are exempt from a formal bid process provided FIGA submits these contracts to the CFO for approval. DFS has 10 days to approve or deny the contract or purchase upon receipt of our request.

Florida Insurance Guaranty Association, Incorporated

Plan of Operation

ARTICLE I. PLAN OF OPERATION

- A. Effective Date. This Plan of Operation, and any amendments thereto, shall become effective upon written approval of the Department of Financial Services.

ARTICLE II. NAME

- A. Name. The corporation shall be known as the Florida Insurance Guaranty Association.
- B. Place of Business. The Association shall maintain its headquarters in Tallahassee, Florida.

ARTICLE III. PURPOSE

- A. Creation. The Association has been established in accordance with the provisions of Section 631.55, Florida Statutes.
- B. Purposes. The purposes of the Association are as follows:
 - 1. Provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer;
 - 2. Assist in the detection and prevention of insurer insolvencies;
 - 3. Create a nonprofit corporation to administer and supervise the operation of such association; and
 - 4. Assess the cost of such protection among insurers.

ARTICLE IV. DEFINITIONS

- A. Statutorily Defined Terms. All defined terms in Section 631.54, Florida Statutes utilized in this Plan shall have the same meaning as set forth in that statute.
- B. Definitions. As used in this Plan, the term:

1. “Act” means the Florida Insurance Guaranty Association Act, enacted as Sections 631.50 through 631.70, Florida Statutes, together with any amendments thereto;
2. “Board” means the Board of Directors of the Association;
3. “Covered claim” means any claim within the definition provided in the Act for the term;
4. “Department” means the Florida Department of Financial Services;
5. “Office” means the Florida Office of Insurance Regulation;
6. “Plan” means this Plan of Operation and any subsequent amendments hereto;
7. “Receiver” means the Department acting under the statutory authority provided for in Chapter 631, Florida Statutes; the term also refers to Receivers in other states acting under the statutory authority provided for in those jurisdictions.

ARTICLE V. BOARD OF DIRECTORS

- A. Board of Directors and Composition. There shall be a Board of Directors in accordance with the provisions of Section 631.56, Florida Statutes, which shall act on the behalf of the member insurers.
 1. Board Size. The Board shall consist of not less than five nor more than nine members who shall serve four year terms, and may be reappointed.
 2. Composition of the Board. The member insurers shall recommend appointment to the Board in the following manner:
 - a. The seven insurers with the largest number of votes cast on a cumulative weighted voting basis shall be recommended to the Department, unless the Citizens Property Insurance Corporation represents one of the top ten writers in the residential property insurance market, in which case six Board members shall be recommended for appointment on the basis of cumulative weighted voting and Citizens Property Insurance Corporation shall be the seventh recommendation.
 - b. Two additional Board members shall be recommended from among the Florida domestic insurers, one of whom shall be recommended by Florida domestic insurers on the basis of cumulative weighted voting, and one to be appointed by the Department.

- c. For the purpose of this section, cumulative weighted voting shall be on the basis of Florida net direct written premiums for all covered lines.
 - d. Vacancies shall be filled as provided in Section 631.56(1), Florida Statutes.
 - e. In the event of the entry of an order of receivership against an insurer whose representative is serving as a board member, such board member no longer qualifies due to loss of status as a member insurer, and shall be automatically terminated from board member status.
3. Department Approval. Recommendations of member insurers and their representatives shall be submitted to the Department for approval and appointment. A replacement must be submitted for approval and appointment by the Department in the same manner as original appointees.
 4. Initial Determination of Eligibility. In the event of a vacancy on the Board, or upon the expiration of the term of an existing Director, the Board shall hold an election to fill the position being vacated or with respect to whose term has expired. Upon such election, the Board shall notify the Department, and request approval for the replacement.
 5. Officers. Every two years, the members of the Board shall elect a Chairperson and such other officers as they may deem desirable from among its members.
 6. Duration of Officers' Term of Office. All officers shall serve until the next meeting of the Board at which elections take place, or until their respective successors are elected and qualified, or until an earlier resignation, removal from office, or death.
 7. Resignation. An officer may resign at any time by written notice delivered to the Executive Director at the principal office of the Association by hand-delivery, United States Mail, facsimile, email, or overnight courier. Unless otherwise specified in the notice, acceptance of such resignation shall not be necessary to make it effective.
 8. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, removal or otherwise, the same shall be filled by the election process specified in subsection 9. of this Article, and as approved by the Department.
 9. Elections. Officers shall be elected by majority vote of the Board. At least thirty (30) days prior to the Board's election meeting, the Executive Director shall notify all Directors of the upcoming elections and request nominations for each office. All nominations received, together with such biographical information as may be available, shall be distributed to the Directors together with the notice of the meeting and other meeting materials.
 10. Election Process. In the event more than one (1) person has been nominated for a particular office, if there is a tie vote, the outgoing Chairperson shall cast the deciding vote.

- B. Quorum. A majority of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board, except that an affirmative vote of six Board members present is required to:
1. Approve a contract with a servicing facility and other professional service providers.¹
 2. Borrow money pursuant to Section 631.57(2)(b), F.S.
 3. Certify an assessment to the Office.
 4. Submit proposed amendments to the Plan to the Department, and make the proposed amendments available to member insurers by posting on the FIGA website.
 5. Coordinate the assessment, payment and defeasance of bonds issued by a municipality or other governmental entity for the purpose of payment of covered claims which are a result of a hurricane, as authorized by the Florida Legislature.
- C. Meeting Procedures. Meetings of the Board shall be held anywhere within the state of Florida. The Chairperson shall call all meetings. The Chairperson shall preside at all meetings unless the Chairperson is absent from same, in which case the vice chair, or another Director appointed by the Chairperson for the purpose of presiding, shall preside at the meeting. A majority of the Directors present at a meeting, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting to another time or place shall be given to the directors who were not present at the time of adjournment and, unless such time and place are announced at the meeting, to the other Directors.
- D. Compliance with Sunshine Law. The Board shall give reasonable notice of all meetings to the public, in compliance with section 286.011, Florida Statutes.
- E. Annual Meeting. The Board shall hold an annual meeting each year. Proper notice shall consist of written notice of the time and place of the holding of the annual meeting, and matters to be considered at such meeting, by mailing or emailing a copy of such notice by the Chairperson of the Board or its Executive Director to each Board member and the Department with reasonable notice prior to any such meeting. At each annual meeting the Board shall:
1. Review the Plan and submit proposed amendments which have been approved by an affirmative vote of six (6) Board members, to the Department for approval or rejection.
 2. Review all outstanding contracts with professional service providers or servicing facilities and to the extent possible make necessary amendments.² Such review shall

¹ The Board shall review and approve all contracts executed by or on behalf of the Association in conformance with Article VIII. A. 16. of this Plan.

² The Board shall review and approve all contracts executed by or on behalf of the Association in conformance with

also include all contracts with servicing facilities and other professional service providers that are not currently outstanding, but were in force during any period of time since the Board's last review of outstanding contracts. "Service providers" includes attorneys, actuaries, accountants, claims adjusters, field adjusters, third party administrators, information technology providers, human resources consultants, general consultants, and any other vendors retained by or on behalf of the Association, but shall not include ministerial services outlined under Article VIII, Section C, item 9.

3. Review operating expenses and covered claims costs and determine whether an assessment is necessary for the proper administration of the Association. If such assessment is determined to be necessary, the Board shall certify the same to the Office which shall, if it finds such assessment necessary, levy such assessment in accordance with Section 631.57, F.S. The Board may recommend waiving the collection from or refund to member companies when the amount of such assessment or refund is \$50.00 or less.
 4. Review, consider and act on any other matters deemed by the Board to be necessary and proper for the administration of the Association, not in conflict with any other provisions of the Plan or Part II, Chapter 631 F.S.
- F. Special Meeting. Special meetings of the Board may be called by the Chairperson or a quorum of the Board, to be held at such times and places as may be necessary. Written notice, as specified in Article V.E herein, of the time and place of the holding of such special meetings, and the purpose therefore, shall be mailed to each member of the Board at least ten (10) days prior to any such meeting. The transaction of business at such meetings shall be in conformance with the provisions of Article V.B herein.
- G. Emergency Meeting. The Board may hold an emergency meeting promptly upon call of the Chairperson after receiving notice from the Department of the insolvency of any insurer.
- H. Compensation and Reimbursement. Members of the Board shall serve without compensation; but they may be reimbursed for necessary travel expenses incurred in attendance at Board meetings, in accordance with the FIGA Travel and Reimbursement Policy and resolutions adopted by said Board.
- I. Telephonic Meetings. The Board may conduct meetings by telephonic conference call, so long as said conference call permits the general public to be included as parties to the call, and to hear all Directors and other speakers in attendance at the meeting. A Director may participate telephonically in any Board meeting. Participation by such means shall constitute presence in person at a meeting.

ARTICLE VI. COMMITTEES

- A. Establishment. The Board may, by duly adopted resolution, establish one or more Committees,

Article VIII. A. 16. of this Plan.

Approved by CFO on 6/12/2017 and by Board on May 11, 2017

each of which shall have and may exercise such authority as is provided in such resolution or in this Plan. Each Committee shall have two (2) or more members.

- B. **Appointments/Qualifications.** The Chairperson shall appoint the Committee Chairperson and members of the Finance and Audit Committee (all of whom shall be Directors), and all members of any other committees which are established pursuant to Article VI.A.
- C. **Finance and Audit Committee.** The Finance and Audit Committee shall have oversight for all matters pertaining to the Association's annual financial audit and investment of funds. The Finance and Audit Committee's oversight shall include, but not be limited to, the following responsibilities and authority: (i) recommending to the Board the selection of an independent auditor; (ii) conducting an annual meeting with the Association's independent auditors to discuss the audit reports and any recommendations for staff; (iii) recommending to the Board the need for special reports, opinions, analysis, or accounting consultations determined by the Finance and Audit Committee to be necessary based on findings and recommendations of the independent auditors; (iv) reviewing the Association's financial reporting processes and internal controls; (v) initiating investigations of improprieties or suspected improprieties, including the standing authority to retain special counsel or experts; (vi) recommending to the Board one (1) or more investment managers for the investment of the Association's funds; (vii) reviewing the Association's investment policies and recommending to the Board any changes with respect thereto; and, (viii) monitoring the investment managers in order to insure their compliance with the Association's investment policies.
- D. **Actions.** All rules pertaining to meetings, notices of meetings, voting and other requirements of the Board shall apply to Committees and their members.
- E. **Quorum.** For all Committee meetings, a quorum shall consist of a majority of the Committee members.

ARTICLE VII. ASSESSMENTS

- A. **Certification of Assessments.** The Association, in order to secure the funds for the respective accounts for the payment of covered claims and also to pay for the reasonable costs to administer the Plan, shall certify to the Office the necessity for it to levy assessments against member insurers in the proportion that each such insurer's net direct written premiums in this state in the classes protected by the account bears to the total of said net direct written premiums received in this state by all such insurers for the preceding calendar year for the kinds of insurance included within such account.
- B. **Assessment Year.** An assessment year shall be defined as the twelve month period beginning on the first calendar day of a quarter, including January 1, April 1, July 1, and October 1. In the order levying the assessment, the Office shall specify the percentage amount to be collected uniformly from all policyholders, of those insurers subject to the assessment, and the date on which the assessment year begins, which shall not begin before 90 days after the Board certifies the assessment.

- C. Recommendations for Assessments to be Paid Monthly. The Association, in its sole discretion, may make a recommendation to the Office to allow for a monthly installment of the assessment, for either the emergency or regular assessments. In order to make this recommendation, the Association must verify that it has projections of cash on hand for the payment of anticipated claims for at least 6 months. The order levying the assessment would specify that the assessment is due and payable monthly as funds are collected from insureds throughout the assessment year.
- D. Notification of Assessment. The Association shall notify and furnish each member insurer against which an assessment is levied a copy of the Board's certification and the Office's order levying the assessment. Each member insurer so assessed shall have at least thirty (30) days written notice as to the date the initial assessment levied is due and payable, and the date on which the assessment year begins.
- E. Limitation on Assessments. Each assessment shall be a uniform percentage. The Office may not levy against any member insurer assessments in any calendar year greater than that provided by the Florida Insurance Guaranty Association Act as written and as may be amended.
- F. Assessment as Advance. All assessments paid in advance by an insurer as a result of a levy by the Office shall be considered an advance of funds to the Association. The insurer may fully recoup such advances by applying the uniform assessment percentage levied by the Office to all policies of the same kind or line as were considered in determining the assessment liability of the insurer.
- G. Collection of Assessments. The Board shall collect any assessment made by the Office at such times as may be prescribed by the Board or by the Office.
- H. Assessment Estimate. Insurers that have written insurance in the calendar year before the year in which the assessment is certified by the Board shall make an initial payment based on net direct written premium from the previous calendar year, as set forth in the insurer's annual statement, multiplied by the uniform percentage of premium specified in the order. Insurers that did not write insurance in the previous calendar year under the lines assessed, but which are writing the insurance under those lines as of, or after, the date the Board certifies the assessment to the Office, shall pay an amount based on a good faith estimate of the amount of net direct written premium anticipated to be written for the assessment year, in the subject assessed lines, multiplied by the uniform percentage of premium specified in the order issued by the Office.
- I. Retention of Assessed Funds. The Association shall retain all funds collected from assessments for the payment of current or future claims.
- J. Reconciliation Reports. The Association shall prepare a form to be used by insurers in filing a reconciliation report for the assessments, which shall be provided to the insurers in advance of the time they are due. Insurers shall file reconciliation reports, within 90 days of the end of the assessment year, with the Association which indicate the amount of the initial payment made before the assessment year, indicating if the amount was based on prior year net direct written premium, or a good faith projection. The report shall also state the amount actually

collected during the assessment year.

- K. Underpayment of Assessments. If the insurer collected from its policyholders in the assessment year more than the amount initially remitted to the Association, the insurer shall pay the excess amount due to the Association, within ninety days after the end of the assessment year.
- L. Overpayment of Assessments. If the insurer collected from its policyholders in the assessment year less than the amount initially remitted to the Association, the Association shall give the insurer a credit in the amount against future assessments.
- M. No Liability for Uncollectible Emergency Assessments. An insurer shall not be liable for uncollectible emergency assessments.
- N. Final Reconciliation Report. The Association shall provide a final reconciliation report on all insurers to the Office within 120 days after each assessment year.
- O. No Cause of Action by Insured. Assessments are levied by the Office upon insurers, and no cause of action is created for a policyholder with respect to the levying of, or duty to pay, such assessments.
- P. Exemptions from Assessments. The Office may exempt or temporarily defer any insurer from a regular or emergency assessment if the Office finds the insurer is impaired or insolvent or if an assessment would result in the insurer's financial statement reflecting capital or surplus less than the sum of the minimum amount required by any jurisdiction in which the insurer is authorized to transact insurance.
- Q. Assessments on Premium Statements. The charges or recoupments shall be separately displayed on premium statements issued to policyholders, but may not be included in the rates filed and approved by the Office.

**ARTICLE VIII. DUTIES AND POWERS OF THE BOARD,
CHAIRPERSON, AND EXECUTIVE DIRECTOR**

- A. Board Powers, Duties and Authority. The Board shall have the following powers, duties, and authority to:
 - 1. Undertake all actions as authorized, required or otherwise permitted by Part II of Chapter 631, Florida Statutes, and this Plan, for the operation and administration of the Association.
 - 2. Undertake all other lawful actions or undertakings permitted for Florida corporations that are not prohibited by, or contrary to, the provisions of the Part II of Chapter 631, Florida Statutes, and this Plan.
 - 3. Approve the opening of one or more insured bank accounts, in the State of Florida, for use in Association business. Reasonable delegation of deposit and withdrawal

authority to such accounts for Association business may be made to the Executive Director and Association Staff, consistent with prudent fiscal policy.

4. Borrow funds as the Board, in its judgment, deems necessary to carry out the intent of and to comply with the provisions of Part II, Chapter 631, Florida Statutes.
5. Certify to the Office of Insurance Regulation the need to levy assessments as authorized by the Statutes and Article VII of this Plan.
6. Hire, retain or terminate the Executive Director.
7. Review and approve audited financial statements of the Association.
8. Retain an independent accounting firm.
9. Review and approve travel policy and procedures.
10. Hire or retain a general counsel.
11. Approve the budget of the Association.
12. Approve investment policies and guidelines for the investment of all funds of the Association.
13. Adopt a code of business conduct and ethics and conflict of interest policies and procedures applicable to the Board and staff of the Association.
14. Approve all contracts for banking, investment management, financial products, loans, credit agreements, trust indenture, bond indebtedness or other financing agreements.
15. Approve all contracts with special purpose entities, bond counsel, financial advisors, investment banks, trust companies and other entities necessary to participate in the issuance of public or private financing in order to pay claims.
16. Approve all contracts executed by or on behalf of the Association with all vendors including, attorneys, actuaries, accountants, claims adjusters, field adjusters, third party administrators, information technology providers, human resources consultants, general consultants and any other vendors retained by or on behalf of the Association. However, this approval shall not be required for contracts for products or services used in the ordinary course of business as further defined in procurement policies and procedures adopted pursuant to Article VIII, Section A, item 17.
17. Adopt procurement policies and procedures.
18. At the option of the Board, contract with one or more bonded corporations to serve as a servicing facility when the Board receives notice from the Department of the insolvency of a member insurer. Any such delegation to a servicing facility must be approved by the Department. For purposes of this Plan, a servicing facility means a

corporation, association, or other organization which performs or will perform functions similar to the functions of the Association or its equivalent in two or more states, and which is delegated the full responsibility to perform all guaranty fund functions required to be executed by the Association under Part II of Chapter 631, Florida Statutes, with respect to one or more insolvent estates. A servicing facility may not borrow funds, sue or be sued in lieu of the Association, or accept service of process on behalf of the Association.

B. Chairperson Powers, Duties and Authority. The Chairperson shall have the following powers, duties, and authority to:

1. Preside at all meetings of the Board.
2. Establish committees of the Board.
3. Appoint the chairs and members of all Board committees and such appointment shall include at a minimum a Finance and Audit Committee.
4. Call regular and special meetings of the Board. However, upon written request of three members of the Board, the Chair shall call a meeting of the Board.
5. In the event of a conflict of interest involving the Executive Director, work directly with the General Counsel to resolve any such conflict, and to report such conflict to the Board.
6. Supervise the General Counsel, and delegate to the Executive Director, as appropriate, supervision of the General Counsel.
7. Maintain responsibility for the annual performance review of, and conduct compensation and benefit negotiations with, the Executive Director, subject to final approval of the Board.
8. Approve the borrowing of funds between the two Association accounts. The Chairperson shall review all Association staff requests for intra account borrowing and shall only approve such a request upon determining that:
 - a. The funds to be borrowed are needed to pay the claims and expenses of the borrowing account in order to avoid an undue delay in paying the accounts claims before additional funds can be obtained for that account.
 - b. The funds borrowed can be re-paid with interest before the lending account needs the borrowed funds to pay its claim obligations.

The Board shall be advised in writing within seven business days (excluding Saturday, Sunday, and legal holidays) of the decision to approve the borrowing of funds, including projected time frames for the duration of the loan to the borrowing account and the repayment schedule to the lending account. The interest charge on funds borrowed pursuant to this paragraph shall be fixed throughout the term of the loan at the Bank Prime Rate, as set by the Board of Governors of the Federal Reserve System

of the United States, on the day the funds are first borrowed.

C. Executive Director Powers, Duties and Authority. The Executive Director shall have the following powers, duties, and authority to:

1. Delegate to Board staff any responsibilities bestowed by the Board, Part II of Chapter 631, or this Plan.
2. Maintain responsibility for the day-to-day operation of the Association and for carrying out the purpose and objectives of the Association consistent with the directions and delegations of the Board, and the provisions of Part II of Chapter 631, Florida Statutes, and this Plan.
3. Establish a corporate headquarters of the Association in Tallahassee, Florida, unless otherwise approved by the Department, and take such measures as are necessary to establish and assure the efficient operation of such office.
4. Hire employees to perform the duties of the Association, within the parameters of the budget approved by the Board, and subject to any personnel directives, policies or procedures as may be adopted by the Board.
5. Retain independent contractors and vendors, subject to Board approval, under Article VIII, Section A, item 16, as necessary to carry out the business of the Association as set forth in Part II of Chapter 631, and this Plan. Such contractors and vendors may include, but shall not be limited to accountants, actuaries, reinsurance consultants, attorneys, claims adjusters, third party administrators, field adjusters, information technology consultants, appraisers, subrogation firms, private investigative firms and employee search firms.
6. Recommend to the Board and the Department whether a Servicing Facility should be retained for one or more insolvencies.
7. Supervise all administrative or professional vendors and independent contractors of the Association.
8. Open and maintain Association bank accounts as approved by the Board.
9. Incur necessary expenditures to conduct the business of the Corporation, including but not limited to, expenses for salaries, insurance, rent, office equipment, postage, facsimile transmittals, maintenance contracts for office equipment, stationery, information technology, janitorial, and any other similar ministerial service expenses necessary to operate the office and facilities of the Corporation.
10. Approve and prepare the payroll.
11. Recommend proposed assessments to the Board for each of the respective accounts, or for emergency assessments, as set forth in Part II of Chapter 631, Florida Statutes.
12. Coordinate and recommend to the Board for approval any loan, bond financing or

other credit agreements to assist the Association in its obligations to pay covered claims and to meet its expenses.

13. Arrange for proper and timely notice of all meetings of the Board or Committees, timely prepare the agenda with the approval of the Board or committee chair, as appropriate. Board members shall submit all requests to place an item on the agenda to the Executive Director.
14. Prepare proposed budgets, cash flow statements, investment reports, and other financial statements of the Association, for submission to the Board for review and approval.
15. Arrange for the annual financial audit.
16. Approve all travel, lodging, and other related expenses pursuant to a Board approved travel expense policy.
17. Maintain all books and records of the Association, in accordance with Chapter 119, Florida Statutes and the Records Retention and Management Policy.
18. Meet with the Department of Financial Services, the Office of Insurance Regulation, state receivers, and other guaranty funds to coordinate the operations of the Association.

ARTICLE IX. PROCEDURES FOR HANDLING CLAIMS

- A. Acceptance of Claims. The Association shall accept for processing all claims against insolvent insurers which are referred to it by the Receiver of an insolvent company on proof of claim forms developed and provided by the Receiver. All such claims must have been filed with the appropriate receiver prior to the deadline set by the court for filing claims in any particular receivership.
- B. Claims Personnel. The Association may furnish claims personnel to process covered claims with reasonable settlement authority. Settlement of claims in excess of that authority shall be subject to prior approval by a claims committee.
- C. Timeliness of Claims Handling. The Association, to the extent possible, shall expedite the handling of covered claims submitted to it by the Receiver.
- D. Notice of Rejection. If the Association rejects a claim on the ground that it is not a covered claim, it shall promptly so notify the claimant, as well as the Receiver, in writing, setting forth the reason for the rejection.
- E. Communication with the Receiver. When the Association pays a covered claim, it shall, upon the Receiver's request, furnish the Receiver a copy of any release, settlement agreement or the judgment on which payment has been made. The Association shall, upon request by the Receiver, furnish to the Receiver a concise statement why the claim was settled in the amount

paid.

- F. Reports to Receiver. The Association shall file statements with the Receiver of the insolvent insurer of the covered claims paid by the Association at such periods as the Receiver may specify and in a form approved by the Receiver.
- G. Release/Settlement Agreements. Any release or settlement agreement executed by the Association shall provide for the release or settlement of any claim against the Receiver, the insolvent insurer, and the insured only to the extent of the amount paid therefor.
- H. Contingent/Unliquidated Claims. The Association shall process any contingent or unliquidated covered claim filed by an insured of the insolvent insurer whether or not a third party or parties having a liability claim against said insured had filed with the Receiver.
- I. Public Records Exemption. Pursuant to Florida Statute section 631.582(1)(a), claims files are exempt from disclosure under Florida Statute section 119.07(1), until the termination of all litigation, settlement, and final closing of all claims arising out of the same incident. Portions of the claims files may remain exempt, as otherwise provided by law.

ARTICLE X. RECORDS AND REPORTS

- A. Minutes. A written record of the proceedings of each Board meeting shall be made. The original of this record shall be retained by the Association with copies being furnished to each Board member, the Department and, upon request, to any member insurer. All records and reports of the Association are subject to Chapters 119 and 286, Florida Statutes, regarding the Public Records and Government in the Sunshine, respectively; provided, however, that reports and recommendations made by the Board to the Department or Office under Section 631.62, Florida Statutes, upon any manner germane to the solvency, liquidation, rehabilitation, or conservation of any Insurer are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Article I, of the Florida Constitution, until the termination of a delinquency proceeding.
- B. Annual Report. Not later than March 30 of each year, the Board shall make an annual report to the Department and the member insurers. Such report shall include a review of the Association's activities and a financial report for the preceding calendar year in a form approved by the Department.
- C. Reports. The Board shall file all required informational statements to the Receiver or liquidator of the insolvent insurer, pursuant to Section 631.60(3), Florida Statutes.
- D. Financial Records. The Association shall maintain such financial records as are necessary to properly reflect the assessments, receipts, and disbursements of all funds obtained by the Association. Such records shall also reflect the financial condition of the Association at any given period of time. Assets of the Association will be invested in accordance with the Board-approved Investment Policy. The Association shall make available its financial records to the Department when so requested.

ARTICLE XI. MEMBERSHIP

- A. **Member Insurer.** Each person who writes any kind of insurance covered by the Florida Insurance Guaranty Act, including the exchange of reciprocal or interinsurance contracts, and who is licensed in the State of Florida, shall be a member of the Association, under section 631.54(8), Florida Statutes.
- B. **Cessation.** An insurer that ceases to be licensed to transact insurance in the State of Florida shall automatically cease to be a member of the Association, effective on the day following the termination or expiration of its license to transact the kinds of insurance covered by the Florida Insurance Guaranty Act; however, such insurer shall remain liable to the Association for any assessments therefore or thereafter based on insolvencies occurring prior to the termination of its license.
- C. **Appeal Process.** Any member insurer aggrieved by an action or decision of the Association shall appeal to the Board before appealing to the Department. If such member insurer is aggrieved by the final action or decision of the Board, or if the Board does not act on such complaint within thirty (30) days, the member insurer may appeal to the Department within thirty (30) days after the action or decision of the Board or the expiration of the thirty (30) days.

ARTICLE XII. IMMUNITY AND INDEMNIFICATION

- A. **Limited Liability.** There shall be no liability on the part of, and a cause of action may not arise or accrue against, any member insurer, the Association, its agents or employees, its Directors, the Chief Financial Officer, the Commissioner, or the Department or Office, or their representatives, for any action taken by them in the performance of their powers and duties under the Act and this Plan, pursuant to section 631.66, Florida Statutes.
- B. **Indemnity.** All persons described in section 631.66, Florida Statutes, except the Department or its representatives, shall be indemnified by the Association against all expenses incurred in the defense of any action, suit or proceeding brought against such person on account of any action taken or not taken by him in the performance of his powers and duties under The Florida Insurance Guaranty Act, unless such person shall be finally adjudged to have committed a breach of duty involving gross negligence, bad faith, dishonesty, willful misfeasance or reckless disregard of the responsibilities of his office. In the event of settlement before final adjudication, such indemnity shall be provided only if the Association is advised by independent counsel that such person did not, in counsel's opinion, commit such a breach of duty.
- C. **Indemnity Supplemental to Immunity.** This article is intended to operate as a supplemental and additional safeguard to, and not in place of, the immunity granted by section 631.66, Florida Statutes.

ARTICLE XIII. CONFORMITY TO STATUTE

- A. The Florida Insurance Guaranty Act, as written, and as may be amended, is incorporated as part of this Plan.

ARTICLE XIV. PLAN AMENDMENTS

- A. Authority/Voting Requirements. The Board may propose and adopt amendments to the Plan by an affirmative vote of six (6) Board members present during any duly noticed meeting of the Board.
- B. Notice of Proposed Amendment. Notice of any proposed amendment (including the text thereof) must be provided to each Director with reasonable notice prior to the meeting during which the amendment is to be considered.

- Consumer Service Plan
-

Memo

To: Board of Directors

From: Corey Neal

Date: April 17, 2024

Re: Consumer Service Plan Update

The FIGA Board requested staff develop a consumer interface plan during its meeting on August 28, 2024. For assistance, claimants and policyholders can contact FIGA via a variety of channels.

Below is a chart that summarizes service requests received from 1/1/2024 – 3/31/2024 (Q1):

Type	Count	Performance
Standard calls	13,296	90% answered within 30 secs
Escalated inquiries	15	72% closed
DFS service requests	157	100% responded back to DFS

FIGA staff is working on enhancing its interaction with consumers. In this project, several deliverables are expected to improve consumer education, outreach, consumer assistance, and internal tracking of service requests. Please find attached a service enhancement plan that details the project's deliverables. As new opportunities for improvement are identified, more actions will be added to the working plan.

FLORIDA INSURANCE GUARANTY ASSOCIATION
PROPOSED CONSUMER SERVICE PLAN ENHANCEMENTS SUMMARY

Over the next several months, FIGA staff will be working on a project to enhance its interaction with consumers. The project envisions several deliverables which are described below, but which generally involve consumer education and outreach, improved consumer assistance options and improved internal tracking.

Note: New actions added since last Board review are added in “Red”. More actions will be added to this working document as further opportunities for improvement are identified.

Item Description	Last Action	Status / Comments	Owner	Due or Completion Date
CONSUMER EDUCATION	Action Item: Reformat letter from Receiver to include more robust information on FIGA	DISCOVERY: Working with Receiver on update to their policyholder holder letter template. Our proposal is to insert updated FIGA Brochure with future letters.	COO	June 30, 2024
	Action Item: Update FIGA brochure with consistent messaging, aligning with other branding assets (i.e. website, internal letters)	CONTRACTING: Waiting for proposal from Sachs Media to update FIGA existing brochure created by staff prior to 2018.	COO	TBD
	Action Item: Update FIGA website with content to foster more policyholder engagement.	TESTING: Engaged Sachs Media to modernize website. Development phase is complete. Acceptance testing in progress.	IT Department	June 30, 2024
UPDATE ALL CONSUMER COMMUNICATIONS – FOCUS FIRST ON CLAIM ADJUSTMENT PROCESS	Action item: Update FIGA letter to claimants to describe process and provide contact info for consumer questions	DEVELOPMENT: Draft copy of First Contact Letter attached for your review	COO	June 30, 2024

Item Description	Last Action	Status / Comments	Owner	Due or Completion Date
	<p>Action item: Review all other FIGA letters to customers.</p> <p>Action Item: Reformat FIGA No Contact letter to initiate communication with claimant.</p> <p>From Infinity Engagement (Claims debrief sessions) move on action items related to claims process communications, general communications and opportunity for unified branding across all customer facing media</p>	<p>REQUIREMENTS: New work item identified while working on project</p> <p>DISCOVERY: Part of larger overall communications review</p> <p>ANALYSIS: Completing working sessions with Infinity. Initial action items have been incorporated into this document, others will follow as engagement ends</p>	<p>COO</p> <p>COO</p> <p>COO</p>	<p>July 30, 2024</p> <p>August 30, 2024</p> <p>September 1, 2024</p>
PROVIDE CLEAR PATHS FOR CONSUMER ASSISTANCE	<p>Action item: Revise current FIGA “contact us” tab to add a drop down menu to automatically route the consumer issue to the appropriate person</p> <p>Action item: Rewrite the FAQs on the website that address claim handling</p>	<p>DEVELOPMENT: New “contact us” tab will be added to new FIGA website.</p> <p>DEVELOPMENT: New FIGA website will include new FAQs.</p>	<p>IT Department</p> <p>IT and FIGA Claims Collaboration</p>	<p>April 30, 2024</p> <p>April 30, 2024</p>
IMPROVE INTERNAL TRACKING AND MONITORING OF CONSUMER REQUESTS FOR ASSISTANCE	<p>Action item: Modify the internal FIGA process to automatically route inquiries to assigned desk adjuster more efficiently for faster turnaround</p> <p>Action item: Review potential of using the same call center vendor as DFS (Maximus) for improvement of call resolutions, greater capacity for calls and miscellaneous processing tasks</p>	<p>DISCOVERY: Evaluation of integrated CRM system will be performed during our new claims system needs analysis.</p> <p>DISCOVERY: Initial contact made to DFS Claims Director, project lead of Maximus contract. Scheduling fact finding call.</p>	<p>IT Department</p> <p>COO</p>	<p>June 30, 2024</p> <p>July 30, 2024</p>

Item Description	Last Action	Status / Comments	Owner	Due or Completion Date
	Action item: Review the process for ALL service inquires, including escalated service requests received through the Service Call Center, DFS requests and routine call center inquires. Identify process and data improvements.	DISCOVERY: Reassigned responsibility of larger deliverable to COO	COO	TBD

- 2022 / 2024 Organizational Goals

Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Re: 2022 - 2024 Goals and Objectives

Our annual goals aim to better prepare FIGA for future insolvencies. As a result of its cost sharing arrangement with FWCIGA through AGFG, FICA enjoys the benefits of economies of scale and additional capacity new insolvencies occur.

The following strategic objectives have been prioritized as mission critical by senior management.

- Transition AGFG into a more agile organization to respond quickly to changes in the business environment,
- Modernize claim practices to meet policyholders' high service expectations, and
- Measure and analyze key information to make informed decisions.

In pursuit of these shared goals, AGFG, FWCIGA, and FIGA are working together to achieve higher performance standards. The following document provides an update on our shared strategic goals.

AGFG Goals and Objectives

This is a working document used to summarize AGFG strategic initiatives prioritized by AGFG's senior leadership. Each key objective has a number of initiatives and projects designed to advance and achieve the objective. The status of key objectives and underlying initiatives and projects are summarized below:

- 1) **Organizational Agility** - Transform AGFG into a more agile organization to rapidly respond to business and environmental changes.
 - a. Research and select a new Learning Management System
COMPLETE – We have identified a system that is awaiting final procurement.
 - b. Perform needs assessment and identify replacement candidates for a new claims management system
IN PROGRESS – We plan to engage a consulting firm to gather, analyze and document the key features required for a new claims management system. In accordance with our purchasing guidelines, we will select and procure a system once key features are identified.
 - c. Update FIGA and FWCIGA websites to better inform Florida citizens, agents, and policyholders about our Purpose and Values
IN PROGRESS – Development for the new FIGA website is near completion with a rollout expected in first quarter 2024. Project was delayed until 2024 given availability of IT resources. FWCIGA new website is targeted for completion in Q1 2025.
 - d. Streamline our adjuster training program to quickly onboard capable examiners within 1 week
PENDING – Goal is pending procurement of Learning Management System.
 - e. Work with NCCI to incorporate claims data for FWCIGA insolvent companies into ratemaking and experience modifier determination
PENDING – Goal is pending availability of internal IT and DFS resources.
 - f. Develop new Member Portal for managing FIGA and FWCIGA member information, administering assessment collections, and conducting board elections for both associations.
IN PROGRESS – AGFG engaged a vendor to gather, analyze and document information about how FWCIGA communicates and transacts with its members. The final draft of the summary analysis is attached for your review. AGFG is considering a variety of solutions, including custom development, and existing commercial platforms. AGFG will incorporate the feature needs for a member portal during AGFG project to procure a new claim management system.

2) **Modernizing Claim Practices** - Modernize our claims management practices to meet policyholders' higher service expectations.

- a. Expand Claim Payment Options including remote check printing

COMPLETE – Outsourced check printing to Wells Fargo for all claim and general accounts payable disbursements over a specific dollar threshold.

- b. Transfer claim intake responsibility to our Claims Support Team

COMPLETE – Leveraged dedicated claim support staff to onboard new assignments which allows managers to focus on TPA supervision.

- c. Enhance Quality Control Program to include work product of external claim adjusters

IN PROGRESS – Launched pilot TPA audit program to help identify training opportunities and compare FIGA claim handling to prior carrier. Engagement is currently pending final report.

- d. Document and Review existing Consumer Service Plan and identify areas for improvement.

IN PROGRESS – Drafted summary document of existing Plan attached with schedule of enhancements to improve consumer communication and internal monitoring of consumer requests for assistance. Initial Consumer Service Plan is included for review. New actions will be added to this working document as further opportunities are identified.

3) **Performance Measurement** – Capture key information to make informed decisions

a. Create Claims Support Dashboard

COMPLETE – A new dashboard provides visibility into the claims processing process, identifying areas of inefficiency and reducing delays.

b. Competitive Solicitation for Litigation Management System

IN PROGRESS – Currently reviewing one proposal from an interested vendor. Final selection and contracting will be in place before end of year 2023. New Litigation Management system should be fully implemented by March 2024.

c. Create Defense Attorney Assignment Dashboard

IN PROGRESS – As a carryover goal from last year, this will be integrated into the new Litigation Management System. For managing UPC litigated cases, a prototype is currently in use.

d. Create Examiner Assignment Dashboard

PENDING – The project has been put on hold until next year, when IT resources become more readily available. Lightspeed Claims System reports are currently used by Claim Managers to supervise TPA activity.

- Annual Review of Contracts and Vendors
-

Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Subject: Vendor Review

Administrative and Claims Vendors:

Article III. F of the Competitive Solicitation and Purchasing Guidelines (CSPG) requires the Board to review annually a list of vendors for which payments exceeded \$10,000.

In Exhibit A, there were 59 vendors that met the \$10,000 threshold (identified with *). There are an additional 3 vendors for which the payments made by FIGA added to those made by FWCIGA exceeded \$10,000 (identified with **).

In Exhibit B, there were 116 appraisers, defense attorneys, engineers, independent field adjusters and other consultants used in the claim handling process that met the \$10,000 threshold.

Exhibit C identifies Category 3 (exceeds \$50,001) and Category 2 (between \$25,001 and \$50,000) expenditures and provides additional information about whether those expenditures are (1) subject to competitive solicitation or (2) require contract approval by the Board under the CSPG.

Our vendor management practices comply with established purchasing guidelines.

FIGA
2023 Vendor List

Vendor	Type	Vendor	Type
1099 Pro, Inc.	General Office	Lincoln National Life Insurance Company	*
Ace Electrical Contractors of Leon, Inc	General Office	LogMeln USA, Inc.	
Advanced Business Systems	General Office	Lozano Insurance Adjusters, Inc.	*
Advanced Imaging Systems, Inc	Claim Services	Manpower	*
Alacrity Solutions Group LLC	* Claims TPA	Marpan Supply Co., Inc.	
Allen, Norton & Blue, P.A.	* Legal	Massey Services, Inc.	
Bank of America NA	Bonds/Investments	Meenan PA	*
Barbara Lynne Metz	General Office	Microage	*
Barineau Heating & Air Conditioning, Inc.	Building	Microsoft Corporation	*
Barrett Claims Management Inc	* Claims TPA	Mid-America Catastrophe Services LLC	*
BDO	General Office	Minuteman Press of Tallahassee	
Best Risks LLC	* Claims Contractor	NAVEX Global, Inc.	
Brown & Brown of Florida, Inc.	* Insurance	NCC Group Software Resilience NA LLC	
Business & Legal Reports	General Office	NCIGF	*
Capital City Bank	* General Office	NearMap US Inc	
Capital Health Plan	* Employee	Notary Public Underwriters	
Careworks Managed Care Services, Inc	Claim Services	Office Depot	
Caseglide LLC	* Claim Services	One Call Claims LLC	*
Casey White	General Office	Pacesetter Claims Service, Inc	*
Cecil W. Powell & Company	General Office	PC Connection Sales Corp	*
Certified Languages International LLC	General Office	Peak Claims Group Inc	*
City of Tallahassee	* Building	perQs Coffee Service	
Claim Consultant Group LLC	* Claims TPA	Pitney Bowes, Inc.	*
CNA	Insurance	USPS/Postmaster	
Colonial Claims LLC	* Claims TPA	Principal Custody Solutions	*
Comcast	General Office	Progress Software Corporation	
Commercial Design Services Inc	** Building	Q-Temps	
Continental Staffing, Inc.	* Employee	Raymond James & Associates, Inc.	*
Covius Document Services	General Office	RBC Global Asset Management (U.S.) Inc.	*
Crown Castle Fiber LLC	* General Office	USPS Reserve Account	*
Dell Marketing LP	* General Office	Risk & Regulatory Consulting LLC	*
Delta Dental Insurance Company	Insurance	Riverwood Claims Management (Custard)	*
Devolutions, Inc.	General Office	Robert G Gantley	*
Docusign, INC	* General Office	Ryze Claim Solutions LLC	*
Doreen Caffery	Claims Contractor	Sachs Media Group	*
Doris Maloy, Leon County Tax Collector	* General Office	Sage Software	
Evans Insurance Group	* General Office	Schindler Elevator Corporation	**
FKS Insurance Services LLC	* Claims TPA	Secureworks, Inc.	*
Florida Blue	* Insurance	Shred-it USA LLC	
Florida Combined Life	* Insurance	Siemens	
Florida Department of Financial Services	* General Office	Sonitrol	
Florida Department of State	General Office	Southernland Enviromental Solutions LLC	
GC Pivotal LLC	General Office	SSM Consulting LLC	*
Global Risk Solutions Inc	* Claims TPA	Teksystems Inc	*
Great America Financial Services Corporation	General Office	The Bank of New York Mellon Trust Company NA	
Gutterhawk Roofing & Gutter Specialist, Inc.	Building	The Henson Group Inc	*
Hand, Arendall, Harrison, Sale LLC	Bonds/Investments	The Lawn Johns LLC	
HRdirect	General Office	The UPS Store (#1962)	
Hutt Recruiting Services LLC	Employee	Thomas, Howell, Ferguson, PA	*
IB4ALL.com LLC	* Claims Contractor	Toshiba Financial Services	
ICW Adjusting LLC	* Claims Contractor	Troy Group Inc	
Infinity Software Development, Inc	** General Office	Unifirst Corporation	
Insight Investment	* Banking/Investments	USSI Cleaning	*
Internal Revenue Service	* Bonds	Verizon Wireless	
ISO Services, Inc.	Claim Services	Vertafore	*
KnowBe4, Inc.	General Office	Wells Fargo Banks	*
LexisNexis Risk Solutions	Claim Services	Willie J Holmes Jr	*
Lexitas	General Office	Wolters Kluwer Legal & Regulatory US	
Liberty Mutual Insurance	* Insurance	Worldwide Express	*
Lightspeed Data Solutions Inc.	* Claim Services		

*Amount paid greater than \$10,000; ** Amount paid when combined with FWCIGA payment was greater than \$10,000

FIGA VENDOR PAYMENTS FROM CLAIM SYSTEM 2022
Vendor Payments greater than \$10,000 plus all Panel Selection

APPRAISALS

ARCHITECTURAL TESTING, INC.
 BYUN INVESTMENTS COMPANY
 GALE CLAIMS SERVICE INC
 KENEDY CLAIMS ADJUSTING LLC
 KONCISE LOSS MANAGEMENT LLC
 MDC CONSULTING INC

OJW CONSULTING INC
 RYZE CLAIM SOLUTIONS LLC
 SEAN LEWIS CONSULTING LLC
 SLS CLAIMS LLC
 USA CLAIMS

ATTORNEY

ABBAY ADAMS BYELICK & MUELLER, LLP
 ANDREWS CRABTREE KNOX & LONGFELLOW LLP
 BARRETT CHAPMAN AND RUTA PA
 BERK MERCHANT & SIMS PLC
 BOYD AND JENERETTE PA
 BOYD RICHARDS PARKER & COLONNELLI PL
 BUCKNER AND SHIFRIN PA
 BUSH & AUGSPURGER PA
 COLE SCOTT AND KISSANE PA
 COLODNY FASS
 CONROY SIMBERG PA
 DENNIS JACKSON MARTIN & FONTELA PA
 GROELLE AND SALMON PA
 HASSELL + SNELL
 HASSELL-LEGAL PA
 HD LAW PARTNERS PA
 HERNANDEZ & VALOIS PA
 JOHN J PHILLIPS PA
 JOHNSON ANSELMO MURDOCH BURKE PIPER & HOCHMAN PA

KELLEY KRONENBERG PA
 KUBICKI DRAPER PA
 LUKS SANTANIELLO PETRILLO AND COHEN
 MATSON DRISCOLL & DAMICO LLP
 MEENAN PA
 PARAFINCZUK WOLF PA
 PAUL, ELKIND, BRANZ & PAUL, LLP
 PECKAR & ABRAMSON PC
 QUINTAIROS PRIETO WOOD AND BOYER PA
 RUMBERGER KIRK AND CALDWELL PA
 SOUTH EAST LAW GROUP
 US LEGAL SUPPORT INC
 VERNIS & BOWLING OF MELBOURNE PA
 WADSWORTH MARGREY & DIXON LP
 WALTON LANTAFF SCHROEDER AND CARSON LLP
 WICKER SMITH O'HARA MCCOY & FORD PA
 WILLIAMS CHARTERED PA
 WILLIAMS LEININGER & COSBY PA

ENGINEERING

ALLIED AMERICAN ADJUSTING COMPANY LLC
 AREHNA ENGINEERING INC
 DONAN ENGINEERING COMPANY INC
 GRINDLEY WILLIAMS ENGINEERING
 HAAG ENGINEERING CO
 JS HELD LLC
 KCE STRUCTURAL ENGINEERS PC

KEYSTONE EXPERTS AND ENGINEERS, LLC
 MIAMI CURTAIN CONSULTANTS CORP
 REVISION ENGINEERING INC
 RIMKUS CONSULTING GROUP, INC.
 SDII GLOBAL CORPORATION
 THE PRONET GROUP INC
 TIERRA INC

INDEPENDENT ADJUSTER

ALL CLAIMS CONSULTING INC
 ALL CLAIMS REPAIRS LLC
 B&H CLAIMS SERVICE INC
 BAYSIDE ADJUSTERS
 BURTON CLAIM SERVICE INC
 CAMERON CLAIMS MANAGEMENT CORP
 CIS CLAIM SERVICES LLC
 CLAIMS CONSULTANTS LLC
 CNC CATASTROPHE & NATIONAL CLAIMS
 EBERL CLAIMS SERVICE LLC
 EIG CLAIMS SERVICE INC
 EVANS ADJUSTING AND APPRAISALS LLC

G & G INSURANCE ADJUSTERS INC
 INSURANCE CLAIMS UNLIMITED INC
 JOHNS EASTERN COMPANY INC
 LOZANO INSURANCE ADJUSTERS INC
 MAS CLAIMS ADJUSTING
 MILLS MEHR & ASSOCIATES INC
 NATIONAL CLAIMS ADJUSTERS INC
 TODD CLAIM SERVICE INC
 TRANSCYND, LLC
 TRITON CLAIM MANAGEMENT LLC
 TSI ADJUSTERS INC

ALL OTHER

ADR PARTNERS, LLC
 AIR QUALITY ASSESSORS OF FLORIDA
 AKG ROOFING AND SPECIALTY SERVICES INC
 ALL INSURANCE RESTORATION SERVICES INC
 ALTERNATE DISPUTE RESOLUTION INC
 AMA SETTLEMENT SERVICES INC
 ARCADIA ICR LLC
 BEST ONE RESTORATIONS, LLC
 DAUGHTERS REPORTING, INC.
 EAST COAST CONTRACTORS INC
 ESQUIRE DEPOSITION SOLUTIONS LLC
 FORCON INTERNATIONAL CORP
 HIGH-END FLORIDA SERVICES CORP
 JD RESTORATIONS FL INC
 JUSTICE CLAIM SERVICES INC
 NEUMANN CONSTRUCTION LLC

ONSITE CLAIMS SERVICE INC
 PENINSULA INSURANCE BUREAU INC
 PERFECT EXPRESS RESTORATION LLC
 RADSURITY PA
 ROOT CAUSE FORENSICS INC
 ROYAL WATER DAMAGE INC
 SUIT ALTERNATIVE INTERNATIONAL, INC
 SUREDGE
 T&E GROUP INC
 UMPIRE PROFESSIONAL SERVICES INC
 US CLAIMS RELIEF INC
 US FORENSIC LLC
 WAREHAM CONSTRUCTION INC
 WEDRY USA
 WJA CONSULTANTS

FIGA
2023 Competitive Solicitation and Purchasing Policy Compliance

Vendor		Type	FIGA Category	Combined Category	Competitive Solicitation	Comments	Contract Approved by Board
Alacrity Solutions Group LLC	*	Claims TPA	3		Exempt		Yes
Allen, Norton & Blue, P.A.	*	Legal Services					
Barrett Claims Management Inc	*	Claims TPA	3		Exempt		Yes
Best Risks LLC	*	Claims Subcontractor	3		Exempt		Yes
Brown & Brown of Florida, Inc.	*	Insurance	3		No	Various business insurance	No
Capital City Bank	*	General Office	1		No	Financial Services	No
Capital Health Plan	*	Employee	3		No	Health Insurance	No
Caseglide LLC	*	Litigation Management System	3		Yes	Last conducted in 2023	Yes
City of Tallahassee	*	Building	2				
Claim Consultant Group LLC	*	Claims TPA	3		Exempt		Yes
Colonial Claims LLC	*	Claims TPA	3		Exempt		Yes
Commercial Design Services Inc	**	Building					
Continental Staffing, Inc.	*	Claims TPA	3		Exempt		
Crown Castle Fiber LLC	*	General Office	2			Broadband Service Provider	
Dell Marketing LP	*	General Office	2			Individual IT equipment purchases	
Docusign, INC	*	General Office	2				
Doris Maloy, Leon County Tax Collector	*	Governmental		2			
Evans Insurance Group	*	Claims TPA			Exempt		
FKS Insurance Services LLC	*	Claims TPA	3		Exempt		Yes
Florida Blue	*	Insurance	3		No	Health Insurance	No
Florida Combined Life	*	Insurance					
Florida Department of Financial Services	*	General Office	2				
Global Risk Solutions Inc	*	Claims TPA	2		Exempt		Yes
IB4ALL.com LLC	*	Claims Subcontractor	3		Exempt		Yes
ICW Adjusting LLC	*	Claims Subcontractor	3		Exempt		Yes
Infinity Software Development, Inc	**	General Office					
Insight Investment	*	Banking/Investments	2			Last conducted in 2010	Yes
Internal Revenue Service	*	Bonds/Investments	2				Yes
Liberty Mutual Insurance	*	Insurance					
Lightspeed Data Solutions Inc.	*	Sole Source Purchase	3		Exempt		Yes
Lincoln National Life Insurance Company	*	Insurance	2				
Lozano Insurance Adjusters, Inc.	*	TPA/Claims Subcontractor	3		Exempt		Yes
Manpower	*	Claims TPA	3		Exempt		No
Meenan PA	*	Legal Services	3		Exempt		Yes
Microage	*	General Office	3		No	Individual IT equipment purchases	No
Microsoft Corporation	*	General Office	3		No	Individual IT equipment purchases	No
Mid-America Catastrophe Services LLC	*	Claims TPA	3		Exempt		Yes
NCIGF	*	Sole Source Purchase	3		Exempt		
One Call Claims Inc	*	Claims TPA	2		Exempt		Yes
Pacesetter Claims Service, Inc	*	Claims TPA	3		Exempt		Yes
PC Connection Sales Corp	*	General Office	3		No	Individual IT equipment purchases	No
Peak Claims Group Inc	*	Claims TPA	3		Exempt		Yes
Pitney Bowes, Inc.	*	General Office					No
Principal Custody Solutions	*	Banking/Investments					Yes
Raymond James & Associates, Inc.	*	Bonding/Investments	2		Yes	Last conducted in 2010	Yes
RBC Global Asset Management (U.S.) Inc.	*	Banking/Investments	2		Yes	Last conducted in 2010	Yes
Risk & Regulatory Consulting LLC	*	General Office					No
Riverwood Claims Management Inc (Custard)	*	Claims TPA	3		Exempt		Yes
Robert G Gantley	*	Claims Subcontractor	3		Exempt		Yes
Ryze Claim Solutions LLC	*	Claims TPA	3		Exempt		Yes
Sachs Media Group	*	General Office					
Schindler Elevator Corporation	**	Building					
Secureworks, Inc.	*	General Office					
SSM Consulting LLC	*	Claims Subcontractor	3		Exempt		Yes
Teksystems Inc	*	Employee	3		Exempt		
The Henson Group Inc	*	General Office	3		No	Individual IT equipment purchases	No
Thomas, Howell, Ferguson, PA	*	Accounting	3		Yes	Last conducted in 2021	Yes
USPS Reserve Account	*	General Office	2				
USSI Cleaning	*	Building	1				
Vertafore	*	Sole Source Purchase	3		Exempt		No
Wells Fargo Banks	*	Banking/Investments	3		Yes	Last conducted in 2018	Yes
Willie J Holmes Jr	*	Claims Subcontractor	3		Exempt		Yes
Worldwide Express	*	General Office	2				

American Guaranty Fund Group Competitive Solicitation and Purchasing Guidelines For FIGA and FWCIGA

I. INTEGRITY OF THE CONTRACTING AND PURCHASING PROCESS

The purpose of these guidelines is to insure the preservation of the integrity of the contracting and purchasing process of the guaranty funds. The goal of the American Guaranty Fund Group, the Florida Insurance Guaranty Fund, and the Florida Workers Compensation Insurance Guaranty Association is to secure for all persons and entities desiring to do business with a guaranty fund the benefits of free, fair, and open competition. The opportunity to bid on contracts or to supply commodities and services to the guaranty funds or to otherwise transact business with the American Guaranty Fund Group is a privilege, not a right, but should remain open to all qualified suppliers of commodities and services required for the organization to carry out its duties. In order to preserve the integrity of the contracting and purchasing process, these guidelines and procedures are adopted and shall be adhered to by the American Guaranty Fund Group, the Florida Insurance Guaranty Fund, and the Florida Workers Compensation Insurance Guaranty Association as staff conducts the business of both guaranty funds.

II. DEFINITIONS

When utilized in these Competitive Solicitation and Purchasing Guidelines, these terms and phrases shall have the following meaning:

- A. “Claims Subcontractor” means expert witness, mediator, investigative, engineer, court reporter, appraiser, umpire, medical, prescription, ambulance, palliative care or other claim support services or expenditures under the supervision of guaranty fund defense counsel or internal guaranty fund claims staff.
- B. “Commodity” means any of the various supplies, materials, goods, merchandise, food, equipment, information technology and other personal property purchased, leased, or otherwise contracted for by the guaranty fund.
- C. “Competitive solicitation” means an invitation to bid, a request for proposals, or an invitation to negotiate.
- D. “Emergency purchase” means a purchase which is exempt from competitive solicitation because the failure to take immediate action would jeopardize the mission of the organization. The term of the emergency purchase cannot exceed the amount of time necessary to conduct a competitive solicitation and transition time, if necessary. The Board must be notified immediately of such emergency purchase.

- E. “Guaranty Fund(s)” means the Florida Insurance Guaranty Association, or the Florida Workers Compensation Insurance Guaranty Association, individually or collectively.
- F. “Invitation to Bid” means a written solicitation for competitive bids. The invitation to bid is used when the guaranty fund is capable of specifically defining the scope of work for which a contractual service is required or when the guaranty fund is capable of establishing precise specifications defining the actual commodity or group of commodities required.
- G. “Invitation to Negotiate” means a written solicitation for competitive replies to select one or more prospective vendors with which to commence negotiations for the procurement of commodities or contractual services. The invitation to negotiate is used when the guaranty fund determines that negotiations may be necessary to receive the best value.
- H. “Ordinary course of business” means expenditures in the normal course of business, including postage, facsimile transmittals, subscriptions, maintenance contracts for office equipment and software, stationery, janitorial services, utilities, telephone, cell phone and long distance charges, staff training, temporary help obtained through professional service agencies, miscellaneous office and break-room supplies and small equipment purchases, building maintenance costs, and other similar products and services necessary to operate the office and facilities of the Guaranty Funds within the constraints of the Board approved budget.
- I. “Purchasing Categories” means the following classification of goods or services purchases made by the guaranty funds:
 - 1. Category 1. Up to \$25,000
 - 2. Category 2. From \$25,001 to \$50,000
 - 3. Category 3. \$50,001 and above

These categories apply for an individual guaranty fund, but also apply in the event both guaranty funds are making a cooperative purchase through the American Guaranty Fund Group.
- J. “Prospective Vendor” means a provider of a commodity or a service, capable of delivering such commodity or service to the guaranty fund.
- K. “Request for Proposals” means a written solicitation for competitive proposals. The request for proposals is used when it is not practicable for the guaranty fund to specifically define the scope of work for which the commodity, group of commodities or contractual services is required and

when the guaranty fund is requesting that a prospective vendor propose a commodity, group of commodities, or contractual service to meet the specifications of the solicitation document.

- L. "Service(s)" means the rendering by a vendor of time and effort rather than the furnishing of commodities. Services may include, but are not limited to, evaluations, consultations, maintenance, accounting, security, management systems, management consulting, educational training programs, research and development studies or reports, and professional, technical and social services.
- M. "Sole source purchase" means a purchase that is exempt from competitive solicitation because there is only one person or company that can provide the contractual services needed and any attempt to obtain bids would only result in one person or company being available to meet the need.
- N. "Vendor" means a provider of a commodity or service that has been retained or placed under contract by the guaranty fund, or is actively providing such good or service to the guaranty fund.

III. PURCHASING GUIDELINES

The guaranty funds shall not be required to utilize the competitive solicitation process for purchasing category 1 commodities and services, and shall utilize the following purchasing guidelines:

- A. All purchases of commodities or services for purchasing category 1 shall only be made after review and approval of a supervisor.
- B. All purchases of commodities or services meeting the purchasing category 1 threshold may be made pursuant to a contract, purchase order, or other such documentation such as invoices or other information consistent with best practices and guaranty fund internal check request procedures.
- C. Staff shall endeavor to achieve the most cost effective means for accomplishing its purchasing objectives whenever possible, and shall balance quality and price considerations as a reasonably prudent person would in making all purchases.
- D. Purchases above \$5000, but below the purchasing category 1 maximum threshold, shall be pre-approved by the Director of Operations or the Executive Director and require at least two written quotes, telephonic quotes or informal bids whenever practical.
- E. All purchases of \$5000 or less must be approved by the Controller, the Director of Operations, or the Executive Director.

- F. The Board shall annually be provided with a list of all vendors of commodities and services whose cumulative annual purchases exceed \$10,000.
- G. The Board may request such other reports to assist in its oversight of guaranty fund purchasing.

IV. COMPETITIVE SOLICITATION GUIDELINES

The guaranty funds shall utilize a competitive solicitation process for all purchases of commodities or services equal to or greater than a purchasing category 2, unless such commodities or services are exempt from the competitive solicitation process pursuant to section IV.B.

A. Competitive Solicitation Guidelines.

The following procedures shall apply to commodities or services requiring the utilization of a competitive solicitation process:

1. Distribution of any proposed invitation to bid, invitation to negotiate, or request for proposals shall be made through posting on the guaranty fund website, through mailings to known lists of prospective vendors within the classification of commodity or service sought, or through advertising through appropriate print medium, or any combination thereof. Staff shall utilize discretion as reasonably required, to reach an adequate audience of prospective vendors for each competitive solicitation process.
2. All vendor awards for purchases of commodities and services for amounts staff reasonably anticipate will be equal to or greater than a purchasing category 2 shall be approved by the Board in advance of granting the award to the selected vendor. Items specifically enumerated in the annual budget approved by the Board shall constitute prior Board approval under this provision.
3. For purchases of commodities or services below purchasing category 3, the Executive Director may delegate to an individual staff member, or group of staff members, the duty to conduct the solicitation, review, and award process.
4. The purchase of commodities or services equal to or greater than purchasing category 3 shall require the appointment of an evaluation committee comprised of at least three staff or others as directed by the Executive Director.

5. All copies of request for proposal, invitation to bid or invitation to negotiate documents shall be provided to the Board members prior to issuance, and staff may issue such documents without seeking prior Board approval.
6. For emergency purchases, the staff shall provide a brief written report to the Board via email immediately after the purchase, which informs the Board of the purchase, the type of services or commodities purchased, and the amount or estimated amount of costs associated with the emergency purchase. If the guaranty fund has an ongoing need for the service or commodity purchased on an emergency basis, staff shall thereafter implement a competitive solicitation process and take all reasonable steps to complete the process and issue the award to the winning vendor within 90 days. In the event the process cannot be completed within 90 days, the staff shall notify the Board of the estimated time frame for completing the competitive solicitation process, and the reasons for such delay.
7. The competitive solicitation award shall be made by the Board to the prospective vendor whose proposal is determined to be of the best benefit to the guaranty fund as determined by the established evaluation criteria. The Board may delegate vendor selection and award duties to the guaranty fund staff.
8. The Board shall annually review the list of vendors selected by staff through a competitive solicitation process of purchasing category 2 or greater, and shall review the complete list without regard to whether work or purchases are ongoing or completed prior to the annual review.
9. Copies of competitive solicitation documents and responses shall be kept in accordance with the guaranty funds' records retention policy.

B. Exemptions.

The following services and purchases shall be exempt from the competitive solicitation process:

1. Artistic Services.
2. Claims Subcontractors
3. Emergency Purchases.

4. Legal Services, including attorney, paralegal, expert witness, appraisal, umpire, or mediator services.
5. Legislative representation.
6. Services or commodities provided by governmental agencies.
7. Sole Source Purchases.
8. Training and education services provided to injured employees pursuant to s. 440.491(6).

V. CONTRACT REVIEW AND APPROVAL

To assure Board involvement and transparency in the contracting process, the guaranty funds shall adhere to the contract review and approval procedures set forth in this section.

- A. Contracts for the following commodities or services shall be approved by the Board prior to execution:
 1. Special purpose entities issuing bonds, bond counsel, financial advisors, trust companies and investment banks involved with the issuance or potential issuance of bonds to finance the payment of claims.
 2. General counsel, auditing firm, or any other general consultant.
 3. Guaranty fund management contract or a contract with a servicing firm as that term is defined in the Plan of Operation and Florida Statutes.
 4. Banks, investment companies, or fund managers that maintain funds of the guaranty fund, or that lend funds to the guaranty fund.
 5. Consultants or employee employment contracts.
 6. Any vendor engaged for an amount equal to or exceeding purchasing category 3, which is not specifically listed in Section V. B, C or D.

The Board may affirmatively vote in advance to delegate review and final execution of one or more of these classes of contracts to the Executive Director, with review by the General Counsel.

- B. The Board shall approve standard contracts or agreements for use with the following vendor categories, but shall not be required to approve the actual individual contracts issued to vendors prior to execution:
 - 1. Claims related insurance defense attorneys.
 - 2. Claims related third party administrators and catastrophe field adjusters.
- C. The Board shall not be required to approve the following contracts or agreements in advance of execution, but shall review such executed contracts or contract summaries at its annual meeting:
 - 1. Any contract which is entered into by guaranty fund staff, but which has not been pre-approved in accordance with sections V. B. The review will be for all such contracts that were in force for any period of time during the prior year.
 - 2. Insurance policies. The Board may elect to review a summary of all insurance coverages in lieu of reviewing the actual policy documents.
 - 3. Fidelity bonds supporting appeals.
- D. The Board shall not be required to review or approve the following classes of contracts or agreements for commodities or services:
 - 1. Claims subcontractors.
 - 2. Contracts issued in the ordinary course of business.
- E. Staff shall enter into written contracts for services or commodities as is acceptable and customary for the type of commodity or service being purchased. No contract or agreement shall be required for the purchase of a commodity or service where in the judgment of the Executive Director the generally accepted practice throughout commerce is to purchase such commodities or services through a less formal means, such as a purchase order or invoice method.

VI. CONFLICT OF INTEREST AND ETHICS POLICY

All employees and vendors of the guaranty fund shall comply with the guaranty funds' conflict of interest and ethics policy as approved by the Board. Vendors providing commodities and services not in the ordinary course of business, or greater than \$25,000 must execute a Purchasing Conflict of Interest Disclosure Form.

- Business Insurance Review
-



Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Subject: Business Insurance Review

Article V. C. 2 of the CSPG provides that an annual summary of all insurance coverages can be provided to the Board in lieu of a review of the actual policy documents. A summary of coverages, limits and policy period in effective for 2024 is prepared for the Board to review.

And finally, a list of bank / investment accounts and signature authorities is provided for information purposes.

2024 Insurance Recap

	Value	Policy Number	Term	Company
AGFG				
1 Package Policy***		BZW(19) 58 23 55 98	1/1/2024-1/1/2025	West American Insurance Co. (Liberty)
Business Liability				
Liability and Medical Expenses - Occurrence	2,000,000			
Aggregate	4,000,000			
Medical Expense (any one person)	15,000			
Property Coverage's				
Building (Replacement Cost)	2,267,467			
Personal Property	609,132			
Money and Securities (Inside / Outside)	10,000			
	\$1000 deductible; 2% windstorm			
Other Coverage's				
Employee Dishonesty (forgery and alteration) \$500 ded	100,000			
ERISA Compliance	100,000			
Employee Benefits Liability (10/7/97 retro) \$1,000 ded	2,000,000			
Hired Auto PD (\$250 comp / \$500 coll ded)	35,000			
Hired / Non-owned Auto Liability	2,000,000			
Employment Practices (10/1/03 retro) \$5,000 ded	10,000			
2 D&O		NHP675014	1/1/2024-1/1/2025	RSUI Indemnity Company
Claims Made (prior litigation date of 1/1/2008)				
Individual / Aggregate Limit (each policy period)				
Directors' & Officers Liability	3,000,000			
Employment Practices Liability	3,000,000			
Fiduciary Liability	3,000,000			
Defense Expert Liability	1,000,000			
SIR: D&O and EPLI \$25,000 / Fiduciary \$1,000				
3 Workers' Compensation		WC-4-31261902	1/1/2024-1/1/2025	Transportation Insurance Company (CNA)
Clerical office	3,591,120			
Employers Liability	500,000			
4 Umbrella Liability		USO (19) 58 23 55 98	1/1/2024-1/1/2025	Ohio Casualty Insurance Co. (Liberty)
Each Occurrence	5,000,000			
Aggregate	5,000,000			
5 401k ERISA Bond		106179871	11/23/2023-11/23/2026	Travelers (Cecil Powell)
3 year policy	500,000			
6 CRIME		FI4N744527010	1/1/2024-1/1/2025	Travelers
Employee Theft	5,000,000			
Forgery	5,000,000			
Inside - Theft	5,000,000			
Inside - Robbery	5,000,000			
Outside	5,000,000			
Computer Fraud	5,000,000			
Funds Transfer Fraud	5,000,000			
Money Order and Counterfeit Paper	5,000,000			
Computer Program/Electronic Data Restoration Expense	100,000			
Claims Expense (no deductible)	25,000			
Social Engineering (deductible \$50,000)	500,000			
Telecommunication Fraud (deductible \$5,000)	100,000			
	deductible \$35,000 (except noted)			
7 Cyber Liability		W1A5B7180301	1/1/2024-1/1/2025	Beasley (Lloyds)
Breach Response: 1,000,000 individuals				
Legal, Forensic & Public Relations / Crisis Mgmt	2,000,000			
Policy Aggregate	3,000,000			
Additional Breach Response	3,000,000			
1st Party				
Business Interruption	3,000,000			
Dependent Business Loss	1,000,000			
Cyber Extortion	3,000,000			
Data Recovery	3,000,000			
Liability				
Data & Network	3,000,000			
Regulatory Defense and Penalties	3,000,000			
Media Liability	3,000,000			
Telephone fraud	250,000			
Criminal Reward	50,000			
* Retention - Legal \$15,000; Forensic & Public Relations \$25,000; each incident \$50,000				
FIGA				
1 D&O		NHP675016	1/1/2024-1/1/2025	RSUI Indemnity Company
Aggregate Limit (each policy period)	3,000,000			
	deductible \$25,000			
*D&O Claims Made (prior litigation date of 12/20/2001)				
*Employment Practices Tail Coverage's for acts prior to 4/11/2008				

Florida Insurance Guaranty Association, Inc.
Check Signature Authority

04/15/2024

Account Description	Bank	Authorized Signers	Comments
Master Account	Wells Fargo Bank	Corey Neal Steve Brown Elizabeth Frisbie	Checks under \$10,000 require one (1) signature; over \$10,000 require two (2) signatures, wires permitted. Wires require two (2) authorized signers to initiate and approve.
Claims Account	Wells Fargo Bank	Corey Neal Lenox Godfrey William Hughes Steve Brown	Checks under \$300,000 – Lenox Godfrey facsimile signature; over \$300,000 – facsimile signature plus one (1) live signature.
Investment Advantage Account	Wells Fargo Bank	Corey Neal Steve Brown *Elizabeth Frisbie	Funds can only be transferred between Wells Fargo Advantage and Wells Fargo Master Account or Wells Fargo Custodial Account.
Investment Custodian Account	Wells Fargo Bank	Corey Neal Steve Brown *Elizabeth Frisbie	Funds can only be transferred between Wells Fargo Custodian and Wells Fargo Master or Wells Fargo Advantage Account.

*Limited transfer rights to FIGA accounts only

- Conflict of Interest Policy
-



Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Subject: Conflict of Interest and Ethics Policy

The Board Conflict of Interest and Ethic Policy (attached) is developed by the Audit Committee and approved by the Board. The policy is reviewed annually by the Committee pursuant to its Charter, and documented in the Charter Checklist.

As part of our governance process we require the Board to review and acknowledge compliance with the policy. To help facilitate identification of any potential conflict that may need to be disclosed, we have prepared the attached list of vendors utilized by FIGA

We request that Board members review the policy and vendor listing, sign page 6 of the policy, and return to Susan Ferguson at sferguson@agfgroup.org.



Florida Insurance Guaranty Association, Inc.

Conflict of Interest and Ethics Policy

Board of Directors

Introduction

This Conflict of Interest and Ethics Policy was developed by the Finance and Audit Committee of the Florida Insurance Guaranty Association, Inc. (“FIGA” or “Organization”) and approved by the Board of Directors to provide guidance for all Board Members of the Florida Insurance Guaranty Association. All Board Members are expected to maintain high ethical standards of conduct and to comply fully with applicable laws and governmental regulations. Each Board Member should read this document carefully with a commitment to uphold these standards. All Board Members will receive or be provided with a copy of this Policy and should read, understand and comply with it.

Day-to-day observance of this Policy will create a professional, healthy working environment consistent with the Boards’ core values, and further project a positive image of FIGA to consumers, suppliers and the public at large. Attachment A to this Policy will provide a listing of contact names and numbers referenced in the Policy. Changes to the contact information will be updated regularly and such changes to the contact list will not be considered a change requiring Committee action.

Appointments to the Board are made by the Department of Financial Services after election by the members and Directors must be employed by member insurers. Due to the unique structure and relationship between Directors and Members, it is not a conflict of interest for a Director to be employed by a Member. However, when acting on behalf of the Organization, a Director must make decisions in favor of what is believed to be in the best interest of the Organization and not other interests they represent.

Interpretation

Reference herein to “organization” means the Florida Insurance Guaranty Association, Inc.; “Employees” means all employees of American Guaranty Fund Group, Inc. (“AGFG”) performing services on behalf of FIGA, including without limitation the Executive Director. For purposes of this Policy, “vendor” means any entity or person doing business or desiring to do business with FIGA; however, “vendor” shall not include American Guaranty Fund Group or the National Conference of Insurance Guaranty Funds or its related entities. The Board of Directors is responsible for setting the standards of business conduct contained in this Policy and updating these standards as they deem appropriate to reflect changes in the legal and regulatory framework, the business practices within the industry, the organization’s own business practices and the prevailing ethical standards of the communities. Questions concerning specific application of this Policy should be referred to the Executive Director.

While this Policy addresses major areas of concern, it cannot cover every situation which may arise. Board Members are expected to exercise their own best judgment and discretion within the parameters of this Policy, adhering to the high standards to which the organization is committed.

Reporting Violations and Ensuring Compliance

Except as otherwise explicitly provided in this Policy, if any Board Member believes that this Policy has been violated or that any member of the organization has or is about to violate a law or regulation, or a Board Member believes that he or she is being asked to violate this Policy or a law or regulation in the performance of duties, the matter should be promptly reported to the Executive Director. If for any reason the Board Member is uncomfortable reporting such matter to the Board Chair or the Executive Director, then the matter should be promptly reported to the Chairman of the AGFG Board of Directors or the Chairman of the FIGA Finance and Audit Committee, who will respond as promptly and discreetly as practicable with an appropriate investigation.

Board Members may also report violations or suspected violations to “Ethicspoint”, an anonymous, toll-free service engaged for this purpose. Calls are received 24 hours a day, 7 days a week by an independent organization and Board Members are not required to give their names. Each Board Member will be provided with reporting instructions during orientation.

Every Board Member shall cooperate in assuring that any violation of this Policy is brought to the attention of the appropriate person. The organization will take appropriate steps to maintain the confidentiality of the reporting Board Member’s identity, to the extent that it can do so consistent with applicable law and the organization’s obligations to investigate and remedy the matter and, if appropriate, to report the matter to government officials

The Finance and Audit Committee of FIGA’s Board of Directors (the “Committee”) is responsible for overseeing the interpretation and enforcement of this Policy. Subject to their ultimate authority: (i) the Executive Director will be responsible for monitoring the enforcement of this Policy as it pertains to employees at their location and (ii) the Committee will be responsible for monitoring (a) enforcement of the Policy and these procedures as they pertain to Board Members and the Executive Director, and (b) the steps taken by the Executive Director with respect to the enforcement of this Policy. If any questions regarding possible breaches or violations of this Policy are not resolvable by the Committee, such questions shall be referred to the Board’s General Counsel for legal guidance in resolving the possible breach or violation.

Upon request by the Board of Directors or promptly after an issue is raised that might constitute a breach, the Executive Director or the Board’s General Counsel will report to the Committee concerning compliance with this Policy and any breaches or violations or

other ethical issues which may have occurred or been presented. The Committee shall consider all issues brought before it. In instances where breaches or violations of this Policy or other ethical issues may have been identified, the Executive Director or the Board's General Counsel may make such recommendation as may be appropriate to prevent a recurrence. The ultimate decision with respect to any such action will be made by the Committee. The Committee will provide a full report to the Board.

A Board Member found to have violated this Policy will be subject to appropriate disciplinary action, ranging from warnings to possible removal from the Board.

Compliance with Laws and Regulations Generally

All organization business will be conducted in compliance in all material respects with applicable laws and regulations. Any illegal action will be dealt with swiftly and violations will be reported to the proper authorities. Failure to comply violates this Policy and may expose the organization and Board Members to criminal or civil prosecution. If a Board Member has any questions on specific laws, regulations or other legal issues, he or she should contact the Executive Director or the Board's General Counsel.

Fair Dealings with Others

Each Board Member should endeavor to deal fairly with all members, suppliers, external advisers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice. Directors may not give, offer, or promise, directly or indirectly, anything of value to any supplier or vendor in connection with any transaction or business that the organization may have with that supplier or vendor. Directors may not accept gifts, or any special discounts or loans from any person, vendor, or firm doing, or seeking to do, business with the organization.

Corporate Opportunities and Conflicts of Interest

Board Members owe the organization a duty to advance the interests of the organization. Although Board Members are free to participate in outside activities, it is important that any activity that is (or could appear to be) a conflict between their own personal or business interests and the organization's best interests should be reported to the Committee. Board Members will be asked to sign a Conflict of Interest Statement upon appointment and periodically thereafter. Actual or potentially conflicting interests (including but not limited to any material transaction or relationship that reasonably could be expected to give rise to a conflicting interest) must be reported to the Executive

Director or the Committee. A copy of the organization's vendors will be provided annually for review. Directors are prohibited from using confidential information for their own benefit, business benefit or for the benefit of their immediate family. In addition, Directors may not disclose confidential information to anyone, either inside or outside the organization, who does not have a legitimate business need.

Political Contributions

While the organization encourages individual participation by Board Members through exercising their right to vote, no Board Member should create the impression of speaking or acting on the organization's behalf in the political process without specific authorization. It is up to each Board Member to abide by all laws relating to political contributions, and to make such contributions as individuals or businesses, not as representatives of the organization. Board Members cannot contribute any of the organization's money, property, time, or services (directly or indirectly) to any political candidate or political party.

Lobbying and Legislative Contacts

There may be instances where a Board Member's collective experience may be helpful to the political and legislative processes. In those cases, the Board Member may consult with the organization's General Counsel to publicly offer recommendations about laws or governmental actions and take public positions on issues that affect the organization's business.

Under some circumstances, a written or personal contact with a government official may subject the person making the contact or the organization to registration and reporting requirements under applicable lobbying laws. A Board Member intending to contact a government official, on behalf of the organization, regarding a law, regulation or rule affecting the organization should clear such activity in advance with the Executive Director and the Board's General Counsel for determination whether such conduct would require registration or reporting under applicable lobbying laws.

Improper Gifts and Payments

Board Members must never make improper gifts or payments, such as bribes or kickbacks, in any way in connection with the organization's business. Gifts or payments to or for the personal benefit of a governmental official or to or for the personal benefit of an employee of one of the organization's members or suppliers are clearly improper.

I acknowledge that I have read and understand the foregoing Conflict of Interest and Ethics Policy and reviewed the current vendor listing. I certify that I will comply with its terms and conditions and to the best of my knowledge do not have any conflicts. Further, I agree that I will make the appropriate disclosures immediately if I become aware of a conflict subsequent to signing this statement.

Dated: _____

(Signature)

(Print Name)

Attachment A

Executive Director:

Corey Neal

cneal@agfgroup.org (850)386-9200

Ethicspoint:

1-844-962-1233

For FIGA:

Board Chairman:

Kimberly Blackburn Kimberly.blackburn@ffbic.com (352) 374-1525

Chairman of Finance & Audit Committee:

Pamela Matthews Pamela.Matthews@usaa.com (210) 498-2338

Board General Counsel:

Tim Meenan tim@meenanolawfirm.com (850) 425-4000

- 2023 Annual Report

Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Re: Annual Report

Article 10 B of the Plan of Operation requires that the Board file an annual report with the Department of Financial Services (Department) and member insurers no later than March 30 of each year. The report should include a review of the Association's activities and financial reports from the preceding calendar year.

The Annual Report that we submitted to the Department on March 29, 2024 is available for download at <https://figafacts.com/reports/>. A courtesy copy was sent to the CFO and Office of Insurance Regulation on the same day.

BOARD OFFICER ELECTIONS

Memo

To: Board of Directors
From: Corey Neal
Date: April 15, 2024
Re: Board Officer Election

In accordance with the Florida Insurance Guaranty Association's current Plan of Operation:

Article V.5. "Every two years, the members of the Board shall elect a Chairperson and such other officers as they may deem desirable from among its members."

Article V.9. "Officers shall be elected by majority vote of the Board. At least thirty (30) days prior to the Board's election meeting, the Executive Director shall notify all Directors of the upcoming elections and request nominations for each office."

Nominations have been received as follows:

Chairperson	Kimberly Blackburn / Florida Farm Bureau
Vice Chair	Pamela Matthews, / USAA
Secretary / Treasurer	Paula Lutz / State Farm

Attached is a description of the Board Officer responsibilities as adopted by the Board in July of 2010.

Board Officer Responsibilities

In accordance with the Plan of Operation (Article V, Section A. 5.) every two years the members of the Board shall elect a Chairman and such other officers as they may deem desirable from among its members. The following positions and duties have been established by action of the Board of Directors at a meeting held on July 13, 2010:

Chairman of the Board

The Chairman shall have the following powers, duties, and authority to:

1. Preside at all meetings of the Board.
2. Establish committees of the Board.
3. Appoint the chairs and members of all Board committees and such appointment shall include at a minimum a Finance and Audit Committee.
4. Call regular and special meetings of the Board. However, upon written request of three members of the Board, the Chair shall call a meeting of the Board.
5. In the event of a conflict of interest involving the Executive Director, work directly with the General Counsel to resolve any such conflict, and to report such conflict to the Board.
6. Supervise the General Counsel, and delegate to the Executive Director, as appropriate, supervision of the General Counsel.
7. Maintain responsibility for the annual performance review of, and conduct compensation and benefit negotiations with, the Executive Director, subject to final approval of the Board.
8. Approve the borrowing of funds between the three Association accounts. The Chairman shall review all Association staff requests for intra account borrowing and shall only approve such a request upon determining that:
 - a. The funds to be borrowed are needed to pay the claims and expenses of the borrowing account in order to avoid an undue delay in paying the accounts claims before additional funds can be obtained for that account.
 - b. The funds borrowed can be re-paid with interest before the lending account needs the borrowed funds to pay its claim obligations.

The Board shall be advised in writing within seven business days (excluding Saturday, Sunday, and legal holidays) of the decision to approve the borrowing of funds, including projected time frames for the duration of the loan to the borrowing account and the repayment schedule to the lending account. The interest charge on funds borrowed pursuant to this paragraph shall be fixed throughout the term of the loan at the Bank Prime Rate, as set by the Board of Governors of the Federal Reserve System of the United States, on the day the funds are first borrowed.

In addition to the powers and duties provided in the Plan of Operation, the Chairman shall:

- a. Serve, along with the Vice Chairman, as one of the representatives from FIGA to the American Guaranty Fund Group Board.
- b. Appoint the third representative from the FIGA Board to the American Guaranty Fund Group Board to serve along with the Chairman and Vice Chairman.

Vice Chairman

The Vice-Chairman shall serve as Chairman when the Chairman is unable to serve. In addition, the Vice-Chairman shall serve as one of the three representatives from FIGA to the American Guaranty Fund Group Board. The Vice-Chairman shall have such other powers and duties as the Board may from time to time determine.

Secretary

The Secretary of the Corporation shall cause accurate minutes of the board meeting to be taken, transcribed and distributed to each board member in a timely manner for review prior to approval. The foregoing responsibilities may be delegated to staff members under the supervision of the Secretary. The Secretary will sign the official copy of the minutes following approval at a duly noticed Board of Directors' meeting. The Secretary will also sign any documents requiring the signature of the Secretary of the Association.

Treasurer

The Treasurer will sign any documents requiring the signature of the Treasurer of the Association.

OTHER BUSINESS, CLOSING REMARKS & ADJOURNMENT
--