

FLORIDA EXCESS & SURPLUS LINES
SERVICE FEES, TAXES, AND ALL OTHER POLICY FEES

\$35.00 Administration Fee (Surplus Lines Law Section 626.916 (4))

A per-policy fee of \$35 may be charged by the filing surplus lines agent for each policy certified for export.

What this means is that every policy we issue, we must comply with the conditions of The Florida Surplus Lines Service Office and export all information daily to their office. This fee was enacted to offset the expenses of the licensed surplus lines agent expenses in providing this information and computer coding data.

Inspection Fee – (Surplus Lines Law Section 626.930 (1))

Inspection fees can be charged, and they should be reasonable and customary and must be made part of the surplus lines agents permanent file pursuant of Section 626.930 (1) (j).

This fee can be made up of several different types of inspections needed to properly underwrite an individual risk. Inspections can be, a physical inspection of the premises, a property claim report that is provided on the location of the risk (CLUE Report), physical audit of a risk to provide the Liability premiums basis or a credit report pulled on the named insured. The costs associated with the vendors who provide such services to John Handel & Associates, Inc. are offset by this charge, which is authorized under the Excess & Surplus Lines Statutes.

5% State Tax – (Surplus Lines Law Section 626.932)

The premiums charged for surplus lines coverage's are subject to a premium receipts tax of 5% of all gross premiums charged for such insurance.

The term "Premium" means the consideration for insurance by whatever named called and includes any assessment, or any membership, policy, survey, inspection, service or similar fee or charge in consideration for an insurance contract, which items are deemed to be part of the premium. The per-policy fee authorized by Section 626.916 (4) is specifically included within the meaning of the term "premium". However, the service fee imposed pursuant to Section 626.9325 is excluded from the meaning of the term "Premium".

0.2% Service Fee (Surplus Lines Law Section 626.9325)

The premiums charged for surplus lines insurance are subject to a service fee as provided in Section 626.921 (3) (f). The surplus lines agent shall collect from the insured the amount of the fee at the time of the delivery of the policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance.

This tax is collected to fund (Stamping office) the existence and operation of the Florida Surplus Lines Service Office, which was established in order to regulate the operations of the Surplus Lines Business in Florida.

Updated 02/12/2007

EMPA Fee -Emergency Management, Preparedness, and Assistance- (Surplus Lines Law Section 624.5092)

An annual surcharge of \$2.00 per policy shall be imposed on every homeowner's, mobile home owner's, tenant homeowners, and condominium unit owner's policy and an annual \$4.00 surcharge shall be imposed on every commercial fire, commercial multiple peril, and business owner's property insurance policy, issued or renewed on or after May 1, 1993

FSLSO Reduces Service Fee Effective April 1, 2007

The Florida Department of Financial Services Office of Insurance Regulation has approved a reduction in the service fee charged by the Florida Surplus Lines Service Office (FSLSO) from 0.2% to 0.1% effective April 1, 2007.

Florida Hurricane Catastrophe Fund (FHCF)

The FHCF is an emergency assessment fee of 1% on applicable surplus lines policies issued or renewed with an effective date on or after January 1, 2007. The premium on all property and casualty policies will be subject to the assessment, except the following: Medical Malpractice, Workers Compensation and Accident and Health. The "Assessment Period" begins on each January 1 and continues for 12 months. The emergency assessment shall be assessed in each successive "Assessment Period" until further order of OIR.