



Florida Optional Reinsurance Assistance Program (FORA) Frequently Asked Questions

1. What is the Florida Optional Reinsurance Assistance (FORA) Program?

The Florida Optional Reinsurance Assistance (FORA) program, created by the Florida Legislature and signed into law on December 16, 2022, establishes [Section 215.5552, Florida Statutes](#). The FORA program is administered by the State Board of Administration (SBA) and provides up to four layers of coverage for a portion of a FORA insurer's hurricane losses in exchange for premium.

2. Is participation in the FORA Program required?

No. Participation in the FORA program is optional.

3. Is the FORA Program temporary?

Yes. The FORA program offers coverage for contract year 2023-2024 only and applies to two covered events causing the largest losses for the FORA insurer that exceed its lowest selected FORA layer's retention.

4. Who is eligible to participate in the FORA Program?

All insurers participating in the Florida Hurricane Catastrophe Fund (FHCF) as of November 30, 2022, are eligible to participate in the FORA program. However, Citizens Property Insurance Corporation is excluded from participation.

5. What if an insurance company becomes an FHCF participant after November 30, 2022?

An insurer that becomes a FHCF participant after November 30, 2022, is not eligible to participate in the FORA program.

6. What are the options for participating in the FORA Program?

The first three layers of the FORA program are intended to offer coverage that is adjacent to the coverage already provided to the 2023-2024 RAP insurers. Therefore, only 2022-2023 RAP insurers are eligible to purchase the first three layers of the FORA program. If a company purchases layers 1 through 3, they will be eligible to purchase layer 4.

All 2023-2024 RAP insurers are also eligible to purchase layer 4.

7. Can a 2023-2024 RAP insurer purchase layers 1 through 3?

No. Coverage would duplicate the coverage already provided at no cost to the 2023-2024 RAP insurer.

8. How can an insurance company select coverage under the FORA Program?

Contracts will be distributed offering FORA coverage in the layers a company is eligible to purchase. Contracts for layers 1 through 3 will be distributed first, and once the take-up rate of those layers is known, contracts for layer 4 will be distributed.

9. Can an insurance company select more than one FORA layer?

Yes. However, any company selecting multiple layers of FORA coverage must purchase them in sequence; for example, layer 2 cannot be purchased without purchasing layer 1.

10. How will a company determine the limit available for layer 4?

The coverage for layer 4 is dependent on how many insurers purchase coverage under the Program in layers 1 through 3. Initial payout multiples will be available after the take-up rate of layers 1 through 3 is known. Contracts to purchase layer 4 will be sent out in April 2023 with a due date of May 30, 2023.

11. When a company participates in the FORA program, is it required to file an amended rate filing with the Office of Insurance Regulation?

No. There is no rate filing requirement provided in Section 215.5552, Florida Statutes.

12. Is there an allowance for loss adjustment expense if a covered event occurs that results in reimbursements from the FORA Program?

No. Coverage provided in the FORA program is 100% of covered losses with no allowance for loss adjustment expense.

13. Is there a reinstatement of coverage under the FORA Program?

No. It is aggregate coverage for the two events with the largest losses for the FORA insurer.

14. If my company selects coverage will my company be required to sign a contract for FORA coverage?

Yes. Contracts for layers 1 through 3 will be distributed to eligible FORA insurers in March 2023, with a due date of April 15, 2023. Contracts for layer 4 will be distributed shortly thereafter, with a due date of May 30, 2023.

15. When will a company's FORA premium be due?

Initial FORA premiums will be due in full no later than July 3, 2023.

16. What happens if a company executes a FORA contract but fails to pay the premium when due?

If a company fails to pay their initial FORA premium in full by July 3, 2023, their FORA coverage will be canceled and their FORA reimbursement contract(s) will be void.

17. What happens if a company fails to execute a contract by the due date?

Failure to execute a contract by the due date will result in no FORA coverage being provided.