

Payout Multiples (Posted 1/7/11)

The Payout Multiples are used to calculate an insurer's projected payout for FHCF coverage pursuant to Section 215.555(4)(d)2.b., Florida Statutes.

Each Projected Payout Multiple is derived by dividing either estimated single season Claims-Paying Capacity of the FHCF or the TICL Limit by the total industry Mandatory Reimbursement Premium for the FHCF for the Contract Year billed as of 12/31 of the Contract Year. The Company's Mandatory Reimbursement Premium, as paid to the SBA for the Contract Year, is multiplied by the corresponding Payout Multiple to estimate the Company's coverage from the FHCF for the Contract Year. The SBA is not obligated to reimburse for any losses under the Reimbursement Contract unless the Company incurs losses from Covered Events for Covered Policies in excess of its retention.

The Payout Multiple for the mandatory FHCF coverage is calculated as follows:

<u>Mandatory Maximum Claims Paying Capacity</u>		<u>Aggregate 2010 Mandatory FHCF Premium</u>		<u>Mandatory Payout Multiple</u>
\$17,000,000,000	/	\$1,110,980,000	=	15.3018

The Payout Multiples for the TICL FHCF coverage is calculated as follows:

<u>TICL Limit</u>		<u>Aggregate 2010 Mandatory FHCF Premium</u>		<u>TICL Payout Multiple</u>
\$1,000,000,000	/	\$1,110,980,000	=	0.9001
\$2,000,000,000	/	\$1,110,980,000	=	1.8002
\$3,000,000,000	/	\$1,110,980,000	=	2.7003
\$4,000,000,000	/	\$1,110,980,000	=	3.6004
\$5,000,000,000	/	\$1,110,980,000	=	4.5005
\$6,000,000,000	/	\$1,110,980,000	=	5.4006
\$7,000,000,000	/	\$1,110,980,000	=	6.3007
\$8,000,000,000	/	\$1,110,980,000	=	7.2009