§ 50.53 Loss certifications.

(a) General. When an insurer has paid aggregate insured losses that exceed its insurer deductible, the insurer may make claim upon the Treasury for the payment of the Federal share of compensation for its insured losses. The insurer shall file an Initial Certification of Loss, on a form prescribed by the Treasury, and thereafter such Supplementary Certifications of Loss, on a form prescribed by the Treasury, as may be necessary to receive payment for the Federal share of compensation for its insured losses.

(b) Initial Certification of Loss. An insurer shall use its best efforts to file with the Program the Initial Certification of Loss within 45 days following the last calendar day of the month when the insurer has paid aggregate insured losses that exceed its insurer deductible. The Initial Certification of Loss will include the following:

(1) A bordereau, on a form prescribed by the Treasury, that includes basic information about each underlying insured loss. For purposes of this section, a "bordereau" is a report of basic information about an insurer's underlying claims that, in the aggregate, constitute the insured losses of the insurer. The bordereau will include, but may not be limited to:

(i) A listing of each underlying insured loss by catastrophe code and line of business;
(ii) The total amount of reinsurance recovered from other sources;
(iii) A calculation of the aggregate insured losses sustained by the insurer above its insurer deductible for the Program Year; and
(iv) The amount the insurer claims as the Federal share of compensation for its aggregate insured losses.

(2) A certification that the insurer is in compliance with the provisions of section 103(b) of the Act and this part, including certifications that:

(i) The underlying insured losses listed on the bordereau filed pursuant to §50.53(b)(1) either: Have been paid by the insurer; or will be paid by the insurer upon receipt of an advance payment of the Federal share of compensation as soon as possible, consistent with the insurer's normal business practices, but not longer than five business days after receipt of the Federal share of compensation;
(ii) The underlying claims for insured losses were filed by persons who suffered an insured loss, or by persons acting on behalf of such persons;
(iii) The underlying claims for insured losses were processed in accordance with appropriate business practices and the procedures specified in this subpart;
(iv) The insurer has complied with the disclosure requirements of §§50.10 through 50.19, and the cap disclosure requirement of §50.15, for each underlying insured loss that is included in the amount of the insurer's aggregate insured losses; and
(v) The insurer has complied with the mandatory availability requirements of §§50.20 through 50.24.

(3) A certification of the amount of the insurer's "direct earned premium" as defined in §50.5(d), together with the calculation of its "insurer deductible" as defined in §50.5(g) (provided this certification was not submitted previously with the Initial Notice of Insured Loss specified in §50.52).

(4) A certification that the insurer will disburse payment of the Federal
§ 50.54 Payment of Federal share of compensation.

(a) Timing. Treasury will promptly pay to an insurer the Federal share of compensation due the insurer for its insured losses. Payment shall be made in such installments and on such conditions as determined by the Treasury to be appropriate. Any overpayments by Treasury of the Federal share of compensation will be offset from future payments to the insurer or returned to Treasury within 45 days.

(b) Payment process. Payment of the Federal share of compensation for insured losses will be made to the insurer designated on the Initial Notice of Loss required by § 50.52. An insurer that requests payment of the Federal share of compensation for insured losses must receive payment through electronic funds transfer. The insurer must establish either an account for reimbursement as described in paragraph (c) of this section (if the insurer only seeks reimbursement) or a segregated account as described in paragraph (d) of this section (if the insurer seeks advance payments or a combination of advance payments and reimbursement). Applicable procedures will be posted at www.treasury.gov/trip or otherwise will be made publicly available.

(c) Account for reimbursement. An insurer shall designate an account for the receipt of reimbursement of the Federal share of compensation at an institution eligible to receive payments through the Automated Clearing House (ACH) network.

(d) Segregated account for advance payments. An insurer that seeks advance payments of the Federal share of compensation as certified according to § 50.53(b)(2)(i)(B) shall establish an interest-bearing segregated account into which Treasury will make advance payments as well as reimbursements to the insurer.

(1) Definition of segregated account. For purposes of this section, a segregated account is an interest-bearing...