

EXAMPLE 1:

INTEREST CALCULATIONS ON LATE ACCOUNTING REPORT PAYMENTS

| REPORT DATE | REPORT DUE DATE | AMOUNT RECEIVED | DAYS LATE | INTEREST RATE | INTEREST AMOUNT | REFERENCE NUMBER |
|-------------|-----------------|-----------------|-----------|---------------|-----------------|------------------|
| 05/08/YYYY | 05/29/YYYY | \$100,000 | 4 | 15% | \$164.38 | 1 |
| 11/06/YYYY | 11/30/YYYY | \$1,000,000 | 7 | 15% | \$2,876.71 | 2 |

REFERENCE NUMBER

- 1 Payment of the \$100,000 balance due FCIC on the 05/08/YYYY report, due on 05/29/YYYY, the last banking day of the month, is received on 06/02/YYYY.
- 2 Payment of the \$1,000,000 balance due FCIC on the 11/06/YYYY report, due on 11/30/YYYY, the last banking day in the month, is received on 12/07/YYYY.

EXAMPLE 2:

INTEREST CALCULATIONS ON OVERPAID INDEMNITIES/UNDERSTATED PREMIUM CASES IDENTIFIED THROUGH REVIEW FINAL

| FINAL FINDINGS LETTERS | OVERPAYMENT AMOUNT | DATE OF APPEAL | APPEAL LETTER DATE | ACCOUNTING REPORT DATE | DAYS | INTEREST RATE | INTEREST DUE | REFERENCE NUMBER |
|------------------------|--------------------|----------------|--------------------|------------------------|------|---------------|--------------|------------------|
| 1/20/YYYY | \$10,000 | N/A | N/A | 02/09/YYYY | 26 | 15% | \$0.00 | 1 |
| 1/20/YYYY | \$15,000 | N/A | N/A | 04/09/YYYY | 100 | 15% | \$616.44 | 2 |
| 1/20/YYYY | \$20,000 | 2/15/YYYY | 11/28/YYYY | 12/11/YYYY | 345 | 15% | \$2,835.62 | 3 |

REFERENCE NUMBER

- 1 The Company is notified of an overpayment in a Final Findings by the Regional Compliance Offices letter dated January 20, YYYY. The February 9, YYYY report containing the correction was filed timely. Since the report was corrected within 30 days, interest does not attach.
- 2 The Company is notified of an overpayment amount in a Final Findings by the Regional Compliance Offices letter dated January 20, YYYY. The amount is to be corrected on the February 9, YYYY report. No appeal is filed. No corrections are made until the April 9, YYYY report. Interest is calculated starting with the day after the Final Findings by the Regional Compliance Offices letter which is January 21, YYYY through the due date of the certified report containing the corrections is submitted, which is April 30, YYYY.
- 3 Interest begins accruing based on the date of the Final Findings by the Regional Compliance Offices letter. **Appeals have no affect on delaying the interest computation date.** In this example, the company is notified of an overpayment in a Final Findings by the Regional Compliance Offices letter dated January 20, YYYY. The company files an appeal on February 15, YYYY. The appeal is heard and FCIC receives a favorable decision. Had the company received a favorable decision, no interest is due. The Company is notified by an Appeal Determination letter on November 28, YYYY of the amount due FCIC. Interest is calculated starting with the day after the Final Findings by the Regional Compliance Offices letter, which is January 21, YYYY through the due date of the certified report containing the correction is submitted, which is December 31, YYYY.