



## FATCA COMPLIANCE SUMMARY

Arrowhead General Insurance Agency, Inc., is a subsidiary of Brown & Brown, Inc. (NYSE: BRO), an independent insurance intermediary providing a variety of insurance and reinsurance products and services to corporate, public entity, institutional, trade, professional, association and individual clients. As such, Brown & Brown has shared the following information about our compliance with the Foreign Account Tax Compliance Act (FATCA). Effective July 1, 2014, many of the provisions of the FATCA will begin to be enforced.

### FATCA Highlights:

- FATCA applies to all insurance (reinsurance) premium payments made for U.S. based risks on or after July 1, 2014.
- Premium payments are considered "withhold-able payments" under the FATCA regulations.
- FATCA requires documentation and validation of FATCA status prior to the payment of any insurance premium amounts.
- FATCA validation and documentation will typically be carried out through the exchange of IRS Forms W-9, W-8BEN-E and W-81MY.
- Failure to provide the appropriate FATCA documentation may result in a 30% withholding tax being withheld from the premium payment. (Please note that due to the nature of our business, as of January 1, 2015, we will not be able to make withhold-able payments related to U.S. sourced risks or placements to any non-FATCA compliant entity)
- Starting in March 2015, and years thereafter, FATCA will require premium payment information reporting via IRS Form 1042-S. The IRS will require reporting of all premium payments for U.S. based risk for each payee.

On May 2, 2014, the IRS issued Notice 2014-33. This notice effectively delays the withholding requirements of FATCA until January 1, 2015 for those entities, which are able to demonstrate good faith efforts toward FATCA compliance. Brown & Brown believes it has performed all due diligence and established proper policies and procedures to qualify under the good faith effort exception. Irrespective of the transitional relief provided by the IRS until January 1, 2015, Brown & Brown and its subsidiaries fully intend to adhere to all FATCA compliance regulations, with the exception of the withholding requirements, as of July 1, 2014.



### **Brown & Brown's Commitment**

For insurance and reinsurance payments made through any Brown & Brown U.S. subsidiary, we have implemented the following policies and procedures to ensure FATCA compliance;

- We will obtain and validate all required FATCA documents from insurers for premiums paid through a Brown & Brown subsidiary. We will obtain all required FATCA forms including:
  - Form W-9 from domestic carrier partners
  - Forms W-8BEN-E, W-81MY or other applicable form from foreign carriers and foreign intermediaries for which premium payments are made for U.S. sourced risks.
- We have prepared Forms W-9 and W-8 for all Brown & Brown entities to ensure premium payments made through a Brown & Brown entity are FATCA compliant. These forms are available to you upon request.
  - You may request a copy of Form W-9 and/or Form W-8 from your local representative
  - You can also request these forms by simply emailing your request to [FATCA@bbins.com](mailto:FATCA@bbins.com). Please list the proper Brown & Brown legal entity and address of the local office you are doing business with.

Please note that you will continue to be responsible for all FATCA compliance provisions for all premium payments made through non-Brown & Brown entities.

Please feel free to contact your local account representative or email your inquiry to [FATCA@bbins.com](mailto:FATCA@bbins.com) with any questions or concerns you may have.