

SUMMARY OF MINUTES¹

May 18, 2017

A meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Thursday, May 18, 2017, in Room 116 of the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 1:30 p.m. and concluded at 2:24 p.m. ET.

FHCF Advisory Council Members participating:

John Auer (by phone)
Don Brown (by phone)
M. Campbell Cawood (by phone)
Alan Edwards (by phone)
Kurt Gurley (by phone)
David Walker (by phone)

FHCF Advisory Council Members absent:

William Huffcut
Floyd Yager

Item 1 – CALL MEETING TO ORDER

David Walker, Vice Chair, called the meeting to order.

Item 2 – ROLL CALL

At the request of Mr. Walker, Anne Bert called roll and noted that a quorum was present.

Item 3 – APPROVAL OF THE MARCH 23, 2017 MEETING MINUTES

A motion was made by John Auer, seconded by Kurt Gurley, and the March 23, 2017 minutes were unanimously approved.

Items 4 & 5 – PRESENTATION OF THE DRAFT MAY 2017 ESTIMATED CLAIMS PAYING CAPACITY AND VOTE TO APPROVE THE MAY 2017 ESTIMATED CLAIMS PAYING CAPACITY

Kapil Bhatia of Raymond James & Associates, the FHCF Financial Advisor, presented the draft May 2017 Estimated Claims Paying Capacity starting with an economic update and a discussion of the process and considerations in preparing the estimates for the FHCF's borrowing capacity. The FHCF's maximum potential obligation for the 2017-2018 contract year is \$17 billion. The projected year-end cash available is approximately \$14.9 billion with pre-event bonds of \$2.7 billion. The FHCF has liquid resources of \$17.6 billion, \$600 million above the 2017-2018 statutory maximum obligation. The average estimated bonding capacity, as determined by the FHCF's senior managers, is \$8.1 billion for the first 12 months with an additional \$6.6 billion from 12-24 months. Mr. Bhatia concluded by stating the FHCF is in its best position to meet its

¹ This document is a summary of the official minutes for the FHCF Advisory Council. The official minutes consist of the complete recorded transcript. The content of this Summary of Minutes document may not have been taken from the official transcript and should not be relied upon for any official purpose. The official transcript is available upon request from the FHCF.

maximum potential obligation. A motion to approve the May 2017 Estimated Claims Paying Capacity was made by Don Brown, seconded by Alan Edwards, and passed unanimously.

Item 6 – FHCF CHIEF OPERATING OFFICER’S REPORT

Ms. Bert provided an update of the 2016 hurricane season stating to date no loss reimbursement requests from participating insurers had been received. She discussed the overall FHCF structure for 2017 and subsequent seasons. Ms. Bert informed the Council that no decision has been made at the time to pursue a risk transfer product. Leonard Schulte, FHCF Director of Legal Analysis & Risk Evaluation, provided an update on the results of the 2017 legislative session. Ms. Bert updated the Council on FHCF staff activities including planning for the 2017 exposure examinations, enhancements to the online exposure data reporting system, FHCF *WIRE*, meeting with various Senate and House Legislators and their staff, the upcoming 17th annual participating insurers workshop being held in June, and the work of the Florida Commission on Hurricane Loss Projection Methodology.

Item 7 – SCHEDULE AND AGENDA FOR NEXT MEETING

Ms. Bert informed the Council that the next meeting would be a conference call to address revising the reimbursement contract rule and forms for the 2018/2019 contract year.

Item 8 – AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURN

There being no further business, the meeting was adjourned.