



Florida Hurricane Catastrophe Fund

Advisory Council Meeting

January 13, 2009

Introductory Comments

1. Meeting called to order & opening comments – *William Huffcut, Chair*
2. Roll call – *William Huffcut, Chair*
3. Approval of October 14, 2008 Minutes – *William Huffcut, Chair*

Administrative Matters:

- Meeting scheduled from 1:00 p.m. until 5:00 p.m.
- Next Meeting March 20, 2009 (9:00 a.m. to 1:00 p.m.) and
- Meeting, if needed, on March 27, 2009 (10:00 a.m. to 12:00 p.m., to discuss and approve the 2009/2010 FHCF Premium Formula),
conference call

Agenda -- *Jack Nicholson*

- 1.** Call meeting to order – *William Huffcut, Chair*
- 2.** Roll Call – *William Huffcut, Chair*
- 3.** Approval of October 14, 2008 Minutes – *William Huffcut, Chair*
- 4.** 2009/2010 FHCF Reimbursement Contract and Data Call Changes – *Jack Nicholson*
- 5.** Vote on Approval to File Rules for Notice – *Jack Nicholson*
- 6.** Vote to Amend the Advisory Council Member Handbook – *Jack Nicholson*
- 7.** Financial Market Update – *John Forney, Raymond James & Associates*
- 8.** Chief Operating Officer's Report – *Jack Nicholson*
- 9.** Schedule & Agenda for Next Meeting – *Anne Bert*
- 10.** Concluding Remarks – *William Huffcut, Chair*

4. 2009/2010 FHCF Reimbursement Contract and Data Call Changes

-- *Jack Nicholson*

Reimbursement Contract Changes:

Data Call Changes:

5. Review of Rules and Vote on Approval to File Rules for Notice -- *Jack Nicholson*

Rule 19-8.010 Reimbursement Contract

Rule 19-8.012 Ineligibility/Exemption

Rule 19-8.013 Issuance of Revenue Bonds

Rule 19-8.029 Insurer Reporting Requirements (Data Call)

Rule 19-8.030 Insurer Responsibilities

6. Vote to Amend the Advisory Council Member Handbook

Jack Nicholson

7. Financial Market Update

-- *John Forney, Raymond James & Associates*

8. Chief Operating Officer's Report

-- Jack Nicholson

- A. Aon Benfield merger**
- B. Early redemption of 2006B Extendable Floating Rate Notes in February**
- C. Insurance Capital Build-Up Incentive Program**
 - 1. Surplus Note addendums**
 - 2. Appropriation of interest and principal**
- D. Pursuit of Private Letter Ruling to be able to issue Pre-Event Tax-Exempt Debt**
- E. Tower Hill Petition**

FHCF Organization Chart

Jack Nicholson
Chief Operating Officer

Anne Bert
Director of Operations

Gina Wilson
Director of Examinations

Tracy Allen
Senior Attorney

Sharon Wilson
Manager of Financial Operations

Lucy Reams
Senior Audit Program Analyst

Donna Sirmons
Management Review Analyst

Marcie Vernon
Financial Examiner Analyst

Ramona Worley
Budget Analyst

Patti Elsbernd
Audit Program Analyst

Emily Moore
OPS

Melissa Gunter
Administrative Assistant

Chief Operating Officer's Report

-- Jack Nicholson

- F. Update on the Development of the 2009/2010 FHCF Premium Formula**
- G. Update on 2004/2005 FHCF Losses**
- H. Discussion of Legislative Issues**
- I. Update on Financial Services Team Product Presentations**
- J. Report of FHCF Staff Activities**

Update on the Development of the 2009/2010 FHCF Premium Formula

-- Jack Nicholson

2004 & 2005 FHCF Losses

1/9/09

\$27.604 Billion Total Residential Losses

\$16.162 Billion Residential Losses

2004

\$3.95 Billion

(+\$119 m outstanding)

Total Losses \$3.95 B
Reported Losses 98.13% \$3.876 B
Paid Losses \$3.831 B 98.84%

Cos. Triggering: 136

Cos. At Limit : 60

\$74 m Reserves for future reported losses

+\$45 m reserves for reported losses

\$119 m Total Cash Assets available to pay the remaining 2004 losses

\$11.442 Billion Residential Losses

2005

\$5.20 Billion

(+\$505 m outstanding)

Total Losses \$5.20 B
Reported Losses 98.10% \$4.768 B
Paid Losses \$4.319 B 92.04%

Cos. Triggering: 111

Cos. At Limit : 14

\$99 m Reserves for future reported losses

+\$406 m Reserves for reported losses

\$505 m Total needed to pay the remaining 2005 losses

Resources \$510 m
Outstanding \$624 m
Difference -\$ 114 m

\$624 m Total needed to pay the remaining losses

2004 & 2005 FHCF Losses

1/3/08 (Status a Year Ago)

\$26.802 Billion Total Residential Losses

Cos. Triggering: 134
Cos. At Limit : 58

\$15.973 Billion Residential Losses

2004

\$3.95 Billion

(+\$192 m outstanding)

Total Losses \$3.95 B
Reported Losses 96.96% \$3.830 B
Paid Losses \$3.758 B 98.12%

\$120 m Reserves for future reported losses

+\$72 m reserves for reported losses

\$192 m Total Cash Assets available to pay
the remaining 2004 losses

\$10.829 Billion Residential Losses

2005

\$4.80 Billion

(+\$181 m outstanding)

Total Losses \$4.80 B
Reported Losses 99.33% \$4.768 B
Paid Losses \$4.319 B 90.58%

Cos. Triggering: 106
Cos. At Limit : 12

-\$268 m Reserves for future reported losses

+\$449 m Reserves for reported losses

\$181 m Total needed to pay
the remaining 2005 losses

Outstanding \$373 m

\$373 m Total needed to pay
the remaining losses

Report of FHCF Activities

- October 14, 2008, Last FHCF Advisory Council Meeting
- October 20-21, 2008, Strategic Planning - Paragon
- October 24, 2008, Advisory Council meeting of the FSU Storm Risk Management Center
- November 10, 2008, CFO's Monthly Financial Team Meeting and Legislative Strategy Meeting
- November 24, 2008, Presentation to the Southern Risk Insurance Association
- December 1-2, 2008, Meetings with Berkshire Hathaway and Rating Agencies

Report of FHCF Activities – Continued

- December 3, 2008, Conference calls with Financial Service Team members
- December 9, 2008, Senate Banking & Insurance Committee (provided updated information)
- December 9, 2008, CFO's Monthly Financial Team Meeting
- December 17 & 18, 2008, Financial Services Team Presentations
- January 8, 2009, CFO's Monthly Financial Team Meeting
- January 9, 2009, FHCF Rule Workshop

Report of FHCF Activities – Upcoming Events

- January 14, 2009, Presentation to Senate Banking & Insurance Committee
- January 15, 2009, Meeting with the California Earthquake Authority
- January 27, 2009, SBA/Cabinet Meeting to approve filing of rules for notice
- January 29 & 30, 2009, Florida Commission on Hurricane Loss Projection Methodology Workshop on Commercial Residential Standards & Near/Short term models
- February 10, 2009, SBA/Cabinet Meeting to present financing options
- February 11-12, 2009, Presentation at Aon Benfield Conference in Tampa, FL

Report of FHCF Activities – Upcoming Events

- February 17-19, 2009, Presentation at RAA Cat Modeling Conference in Tampa, FL
- February 24, 2009, Presentation at Property Insurance Summit in Orlando, FL
- March 3, 2009, Florida Legislative Session Begins
- March 20, 2009, FHCF Advisory Council Meeting (2009/2010 FHCF Premium Formula)

9. Schedule & Agenda for Next Meeting

-- *Anne Bert*

- A. March 20, 2009 – 9:00 a.m. to 1:00 p.m. ET
 1. Election of Officers
 2. Vote to approve Rules for Adoption
 3. Presentation and Vote to approve the 2009/2010 Premium Formula and Rule 19-8.028 for Notice
 4. Legislative Update
 5. Update on 2004/2005 FHCF Losses

- B. March 27, 2009 – 10:00 a.m. to 12:00 p.m. ET
 - Conference Call (if needed)
 - Vote to approve the 2009/2010 Premium Formula and Rule 19-8.028 for Notice

10. Concluding Remarks

-- *William Huffcut, Chair*

-- Closing Comments