

SUMMARY OF MINUTES¹

March 20, 2009

A meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Friday, March 20, 2009, in Room 116 of the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 9:10 a.m. and concluded at 12:50 p.m. ET.

FHCF Advisory Council Members participating:

John Auer
M. Campbell Cawood
Jim Henderson (phone)
William Huffcut (Chair)
Larry Johnson
Robert Peduto
Joseph Varon (phone)
David Walker

Item 1 – CALL MEETING TO ORDER

William Huffcut, Chair, called the meeting to order.

Item 2 – ROLL CALL

Col. Huffcut called roll and noted that a quorum was present.

Item 3 – APPROVAL OF THE JANUARY 13, 2009 MINUTES

A motion was made by David Walker and seconded by Jim Henderson, and the January 13, 2009 minutes were unanimously approved.

Item 4 – ELECTION OF OFFICERS

In accordance with the Advisory Council Member Handbook, the Chair's term of office expires and the Vice Chair rotates into the office of Chair. A new Vice Chair is chosen in the first quarter of each calendar year. Mr. Henderson assumed the position of Chair. Since Mr. Henderson was unable to be present, he requested Col. Huffcut continue to Chair the meeting. The floor was opened for nominations for the position of Vice Chair. David Walker was nominated by Larry Johnson, and a vote approving Mr. Walker as Vice Chair passed unanimously.

Item 5 – DISCUSSION & VOTE TO APPROVE FILING RULES FOR NOTICE AND ADOPTION IF NO HEARING IS REQUESTED

Anne Bert, FHCF Director of Operations, stated that there were changes made to Rule 19-8.029 (Insurer Reporting Requirements) and Rule 19-8.030 (Insurer Responsibilities) to incorporate changes requested by the Joint Administrative Procedures Committee. The notarization requirement was removed from the Company Contact Form. A motion to approve filing the amended rules for notice was made by John Auer and seconded by Mr. Henderson. The motion passed unanimously.

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 has not been taken from the official transcript and should not be relied upon for any official purpose.

Item 6 – PRESENTATION OF THE 2009/2010 PREMIUM FORMULA

Paul Budde, Andy Rapoport, and Josie Fix, actuarial consultants with Paragon Strategic Solutions Inc. presented the Council with key points and issues involved in the development of the 2009/2010 premium formula. Mr. Budde provided an overview of the rate-making process and updated the Council on new items and their overall indications. Ms. Fix reviewed the premium rates and coverage with examples of premium changes. Mr. Rapoport discussed modeled losses, allocation by type of insurance, loadings, pre-event notes, financial products, investment discounts, mitigation factors and territories.

Items 7 & 8 – DISCUSSION OF RULE 19-8.028 PREMIUM FORMULA & VOTE TO APPROVE THE 2009/2010 PREMIUM FORMULA AND TO FILE RULE 19-8.028 FOR NOTICE AND ADOPTION IF NO HEARING IS REQUESTED

A motion was made by Mr. Johnson to approve the 2009/2010 premium formula and to file Rule 19-8.028 for notice and adoption with an additional provision to accept the range of cost for financial products included in the rate-making report. The motion was seconded by Mr. Auer and passed unanimously.

Item 9 – FINANCIAL MARKET UPDATE

Kapil Bhatia of Raymond James & Associates, the FHCF Financial Advisor, updated the Council on general market conditions and noted that since the January meeting, financial market conditions have largely improved. Mr. Bhatia provided the Council with an update on funding for the 2009 hurricane season.

Item 10 – FHCF PORTFOLIO UPDATE AND INVESTMENT RESULTS

Richard Smith, SBA Fixed Income, presented the investment portfolio results for the period September 2008 through February 2009.

Item 11 – FHCF STAFF REPORT

Ms. Bert reviewed the investment policy guidelines and Mr. Bhatia provided a global view of the FHCF investment goals. Ms. Bert updated the Council on loss reimbursements for the 2004 and 2005 hurricane seasons. To date, the FHCF has paid \$8.5 billion in losses for 2004 and 2005 and expects to pay \$3.95 billion for 2004 losses and \$5.2 billion for 2005. Ms. Bert discussed bills of interest in the 2009 Florida Legislative Session and informed the Council of upcoming activities of interest.

Item 12 – SCHEDULE & AGENDA FOR UPCOMING MEETINGS

The conference call meeting scheduled for March 27, 2009 was cancelled. The next meeting is scheduled for May 12, 2009 to approve the May 2009 Bonding Estimates and an update will also be provided on legislation passed during the 2009 Session.

Item 13 – CONCLUDING REMARKS

There being no further business, the meeting was adjourned.