



Florida Hurricane Catastrophe Fund

Advisory Council Meeting

March 20, 2009

Introductory Comments

1. Meeting called to order & opening comments – *William Huffcut, Chair*
2. Roll call – *William Huffcut, Chair*
3. Approval of January 13, 2009 Minutes – *William Huffcut, Chair*

Agenda

1. Call meeting to order - *William Huffcut, Chair*
2. Roll Call - *William Huffcut, Chair*
3. Approval of January 13, 2009 Minutes - *William Huffcut, Chair*
4. Election of Officers - *Jim Henderson, (Vice Chair rotates to Chair)*
5. Discussion and Vote to Approve Filing Rules for Notice and Adoption (if no hearing is requested) - *Anne Bert*
 - a) *Rule 19-8.029 Insurer Reporting Requirements (Data Call)*
 - b) *Rule 19-8.030 Insurer Responsibilities*
6. Presentation of the 2009/2010 Premium Formula - *Paul Budde, Andy Rapoport, and Josie Fix, Paragon Strategic Solutions Inc.*
7. Discussion of Premium Formula Rule 19-8.028 - *Anne Bert*

Agenda

- 8.** Vote to Approve the 2009/2010 Premium Formula and File Rule 19-8.028 for Notice and Adoption (if no hearing is requested) - *Jim Henderson, Chair*
- 9.** Financial Market Update - *Kapil Bhatia, Raymond James & Assoc.*
- 10.** FHCF Portfolio Update and Investment Results - *Richard Smith, SBA Fixed Income*
- 11.** FHCF Staff Report - *Anne Bert*
 - a)** FHCF Investment Policy Guidelines
 - b)** 2004 & 2005 Hurricane Losses Update
 - c)** Legislative Update
 - d)** 2009 Season Funding Update
 - e)** Staff Activities
- 12.** Schedule & Agenda for Upcoming Meetings - *Anne Bert*
- 13.** Concluding Remarks - *Jim Henderson, Chair*

4. Election of Officers

- ▶ **William Huffcut recognizes Jim Henderson as the new Chair as he rotates from Vice Chair to the position of Chair**
- ▶ **Nominations for Vice Chair – *Jim Henderson, Chair***
- ▶ **Vote for Vice Chair – *Jim Henderson, Chair***

**5. Discussion and Vote to Approve
Filing Rules for Notice and
Adoption** (if no hearing is requested)
-- Anne Bert

- A.** Rule 19-8.029 - Insurer Reporting Requirements (Data Call)
- B.** Rule 19-8.030 - Insurer Responsibilities

6. Presentation of 2009/2010 Premium Formula

-- Paul Budde, Andy Rapoport and Josie Fix

7. Discussion of Rule 19-8.028, Premium Formula

-- Anne Bert

**8. --Vote to Approve the 2009/2010
Premium Formula**

**-- Vote to File Rule 19-8.028 for Notice
and Adoption** (if no hearing is requested)

-- Jim Henderson

9. Financial Market Update

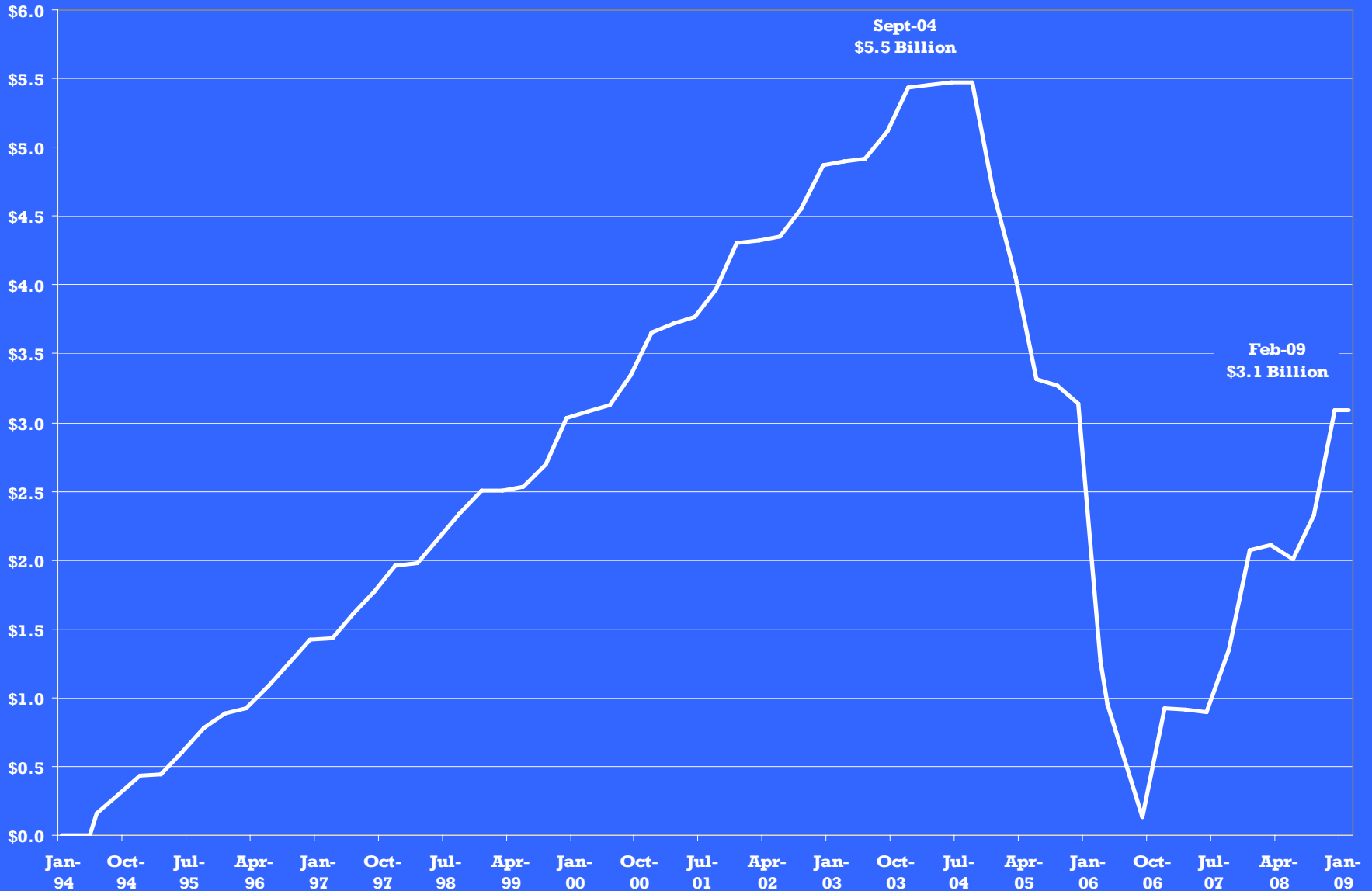
-- *Kapil Bhatia, Raymond James and Associates*

10. FHCF Portfolio Update and Investment Results

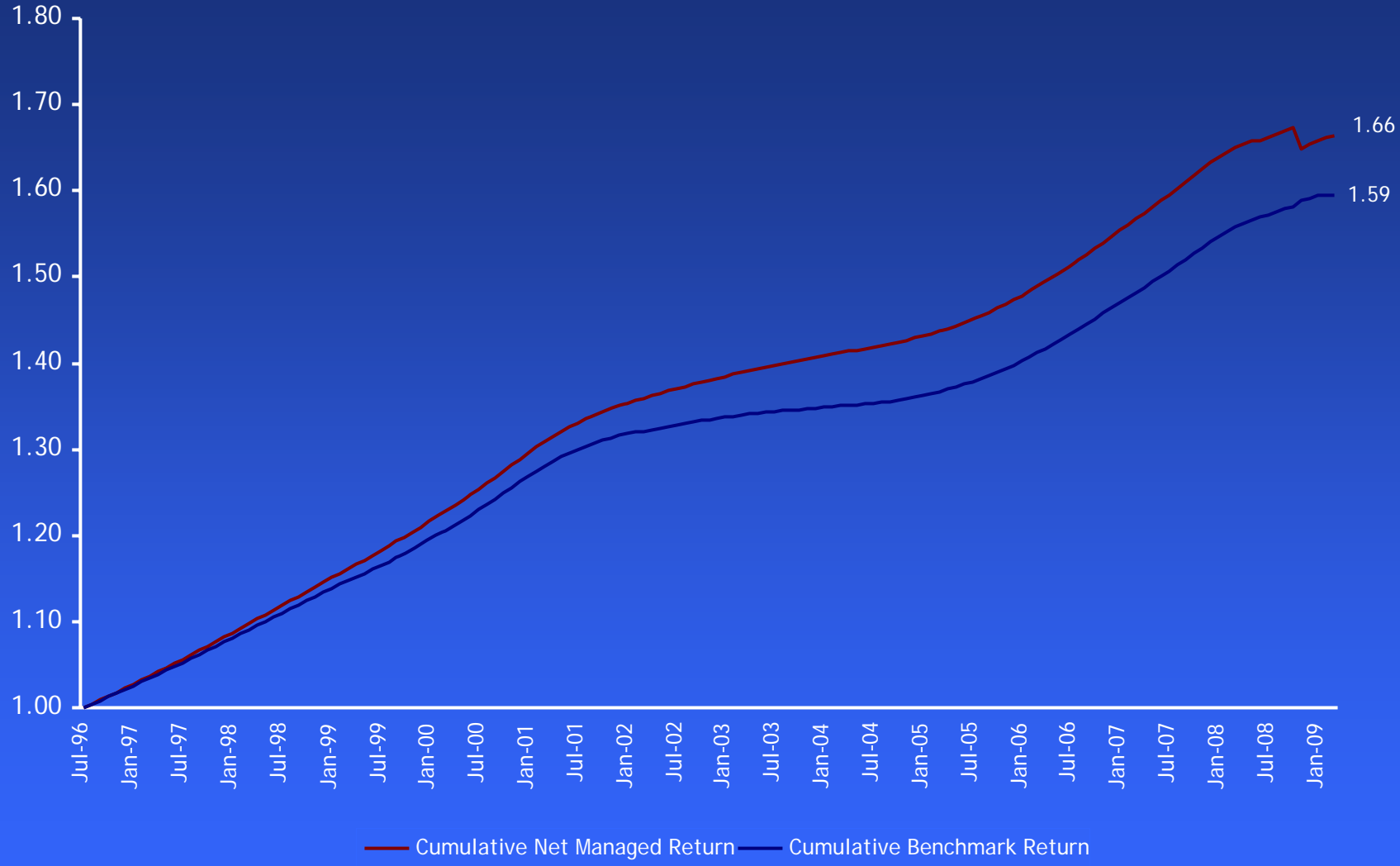
-- *Richard Smith*

CAT Operating Fund

Asset Growth From Inception to February 2009

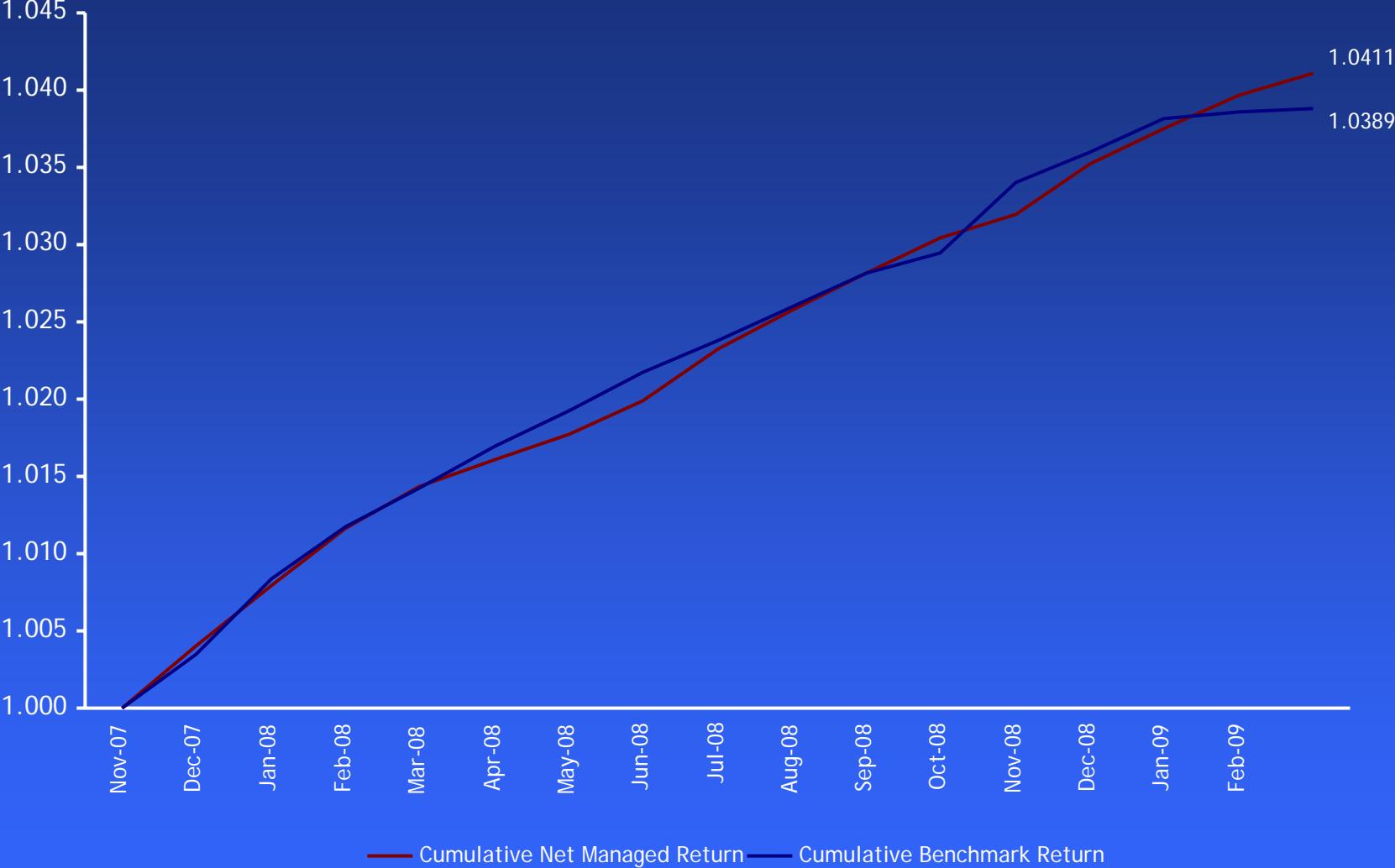


Cumulative Cost-Based Performance Growth of \$1 Through February 2009



Cumulative Cost-Based Performance

Growth Of \$1 Through February 2009



CAT Operating Fund Cost-Based Returns**Through February 28, 2009**

Period	Managed Return	Benchmark Return	Value Added
1-Month	0.16%	0.03%	0.13%
3-Months	0.60%	0.27%	0.33%
6-Months	(-0.35%)	1.04%	(-1.39%)
1-Year	0.84%	2.43%	(-1.59%)
3-Years	3.78%	4.16%	(-0.38%)
5-Years	3.34%	3.40%	(-0.06%)
Since Inception 7.96	4.10%	3.76%	0.34%

CAT 2007A Note Proceeds Cost-Based Returns**Through February 28, 2009**

Period	Managed Return	Benchmark Return	Value Added
1-Month	0.13%	0.03%	0.10%
3-Months	0.57%	0.27%	0.30%
6-Months	1.25%	1.04%	0.21%
1-Year	2.64%	2.43%	0.21%
Since Inception 11.07	3.07%	2.90%	0.17%

CAT OPERATING FUND

As of February 28, 2009

Security Type	%	Par Value	Market Value	Avg Coupon	Unrealized Gain/(Loss)	Average Days To	
						Reset	Mat
Certificate of Deposit - Fixed	38.4%	\$1,205,000,000	\$1,200,192,187	2.13%	(\$4,807,813)	90	90
Certificate of Deposit - Floating	8.9%	\$280,000,000	\$277,953,472	1.81%	(\$2,046,528)	59	268
Corporate - Variable Rate Callable	1.6%	\$50,000,000	\$47,625,000	2.47%	(\$2,375,000)	30	852
Floating Rate Note	33.9%	\$1,063,000,000	\$1,006,828,813	1.58%	(\$56,171,187)	45	355
Liquidity Notes	4.1%	\$127,488,904	\$74,354,054	0.76%	(\$53,134,850)	2	390
Repurchase Agreements	7.5%	\$234,910,000	\$234,910,000	0.27%	\$0	2	2
U.S. Agency	1.6%	\$50,000,000	\$50,074,706	3.08%	\$74,706	24	24
U.S. Agency Callable	4.0%	\$125,000,000	\$124,988,264	1.35%	(\$11,736)	64	174
TOTALS	100%	\$3,135,398,904	\$3,016,926,496	1.71%	(\$118,472,408)	59	216

CAT OPERATING FUND

As Of February 28, 2009

Maturity Range	%	Par Value	Market Value	Unrealized Gain/(Loss)
0 - 7 Days	12.3%	\$384,910,000	\$384,901,181	(\$8,819)
8 - 14 Days	3.0%	\$95,000,000	\$94,985,417	(\$14,583)
15 - 31 Days	4.3%	\$135,000,000	\$134,986,442	(\$13,558)
32 - 59 Days	5.7%	\$180,000,000	\$179,764,917	(\$235,083)
60 - 89 Days	11.8%	\$370,000,000	\$369,449,470	(\$550,530)
90 - 119 Days	4.3%	\$135,000,000	\$134,473,444	(\$526,556)
120 - 179 Days	5.1%	\$160,000,000	\$158,568,136	(\$1,431,864)
180 - 269 Days	27.1%	\$850,500,000	\$820,941,914	(\$29,558,086)
270 - 365 Days	6.3%	\$197,500,000	\$188,869,614	(\$8,630,386)
366 - 456 Days	7.3%	\$227,488,904	\$167,124,976	(\$60,363,927)
457 - 547 Days	7.3%	\$230,000,000	\$219,212,109	(\$10,787,891)
548 - 638 Days	0.0%	\$0	\$0	\$0
639 - 1,000 Days	5.4%	\$170,000,000	\$163,648,876	(\$6,351,124)
TOTALS	100%	\$3,135,398,904	\$3,016,926,497	(\$118,472,407)

CAT 2007A NOTE PROCEEDS

As of February 28, 2009

Security Type	%	Par Value	Market Value	Avg Coupon	Unrealized Gain/(Loss)	Average Days To	
						Reset	Mat
Certificate of Deposit - Fixed	45.8%	\$1,625,000,000	\$1,621,034,835	1.92%	(\$3,965,165)	68	68
Certificate of Deposit - Floating	7.3%	\$260,000,000	\$258,709,953	1.54%	(\$1,290,047)	16	190
Repurchase Agreements	16.8%	\$596,828,000	\$596,828,000	0.26%	\$0	2	2
Corporate - Variable Rate Callable	1.4%	\$50,000,000	\$47,625,000	2.47%	(\$2,375,000)	30	852
Floating Rate Note	25.2%	\$895,000,000	\$873,538,096	1.72%	(\$21,461,904)	34	297
U.S. Agency	3.5%	\$125,000,000	\$124,988,264	1.35%	(\$11,736)	64	174
TOTALS		\$3,551,828,000	\$3,522,724,148	1.55%	(\$29,103,852)	44	138

CAT 2007A NOTE PROCEEDS

As Of February 28, 2009

Maturity Range	%	Par Value	Market Value	Unrealized Gain/(Loss)
0 - 7 Days	22.7%	\$806,828,000	\$806,816,367	(\$11,633)
8 - 14 Days	0.7%	\$25,000,000	\$24,996,528	(\$3,472)
15 - 31 Days	9.0%	\$320,000,000	\$319,829,861	(\$170,139)
32 - 59 Days	9.6%	\$340,000,000	\$339,513,500	(\$486,500)
60 - 89 Days	13.2%	\$470,000,000	\$469,268,668	(\$731,332)
90 - 119 Days	8.3%	\$295,000,000	\$293,896,166	(\$1,103,834)
120 - 179 Days	4.2%	\$150,000,000	\$149,211,614	(\$788,386)
180 - 269 Days	19.8%	\$705,000,000	\$690,256,730	(\$14,743,270)
270 - 365 Days	4.6%	\$165,000,000	\$163,322,802	(\$1,677,198)
366 - 456 Days	2.1%	\$75,000,000	\$67,239,633	(\$7,760,367)
457 - 547 Days	1.4%	\$50,000,000	\$49,869,165	(\$130,835)
548 - 638 Days	0.0%	\$0	\$0	\$0
639 - 1,000 Days	4.2%	\$150,000,000	\$148,503,115	(\$1,496,885)
TOTALS	100%	\$3,551,828,000	\$3,522,724,148	(\$29,103,852)

11. FHCF Staff Report

-- Anne Bert

- A. FHCF Investment Policy Guidelines**
- B. 2004 & 2005 Hurricane Losses Update**
- C. Legislative Update**
- D. 2009 Season Funding Update**
- E. Staff Activities**

A. FHCF Investment Policy Guidelines

2004 & 2005 FHCF Losses

3/13/09

\$27.633 Billion Total Residential Losses

Cos. Triggering: 136
Cos. At Limit : 60

\$16.167 Billion Residential Losses

2004

\$3.95 Billion

(+\$114 m outstanding)

Total Losses \$3.95 B
Reported Losses 98.23% \$3.880 B
Paid Losses \$3.836 B 98.86%

\$70 m Reserves for future reported losses

+\$44 m reserves for reported losses

\$114 m Total Cash Assets available to pay the remaining 2004 losses

\$11.466 Billion Residential Losses

2005

\$5.20 Billion

(+\$477 m outstanding)

Total Losses \$5.20 B
Reported Losses 98.54% \$5.124 B
Paid Losses \$4.723 B 92.18%

Cos. Triggering: 111
Cos. At Limit : 14

\$76 m Reserves for future reported losses

+\$401 m Reserves for reported losses

\$477 m Total needed to pay the remaining 2005 losses

Resources \$480 m
Outstanding \$591 m
Difference -\$ 111 m

\$591 m Total needed to pay the remaining losses

C. Legislative Update

D. 2009 Season Funding Update

E. Staff Activities:

January 14, 2009, Presentation to Senate Banking & Insurance Committee

January 15, 2009, Meeting with the California Earthquake Authority (CEA)

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 and near/short term frequency models

February 3, 2009, Presentation to the House Insurance, Business, Financial Affairs Policy Committee

E. Staff Activities continued:

February 9, 2009, Presentation to Senate Ways & Means Committee

February 11-12, 2009, Presentation at Aon Benfield Conference in Tampa

February 17-19, 2009, RAA Cat Modeling Conference in Tampa

February 20, 2009, Meeting with Texas Windstorm Insurance Association and CEA in Austin

March 3, 2009, Florida Legislative Session Began

E. Staff Activities continued:

March 10, 2009, SBA/Cabinet Meeting to present financing options

March 19, 2009, Florida Commission on Hurricane Loss Projection Methodology Meeting to review model submissions

E. Staff Activities continued:

Upcoming Meetings:

March 23, 2009, Ash Williams and Commissioner Kevin McCarty to meet in New Orleans with several states to discuss Federal support for Catastrophe Programs

March 27, 2009, Advisory Council conference call (if needed)

April 14, 2009, SBA/Cabinet Meeting to approve the Premium Formula and filing of rules for notice and adoption, and to consider 2009 Season funding options

May 1, 2009, Last day of Florida Legislative Session

May 12, 2009, Advisory Council meeting, 9:00 a.m. to 1:00 p.m.

E. Staff Activities continued:

Upcoming Meetings continued:

May 19-21, 2009, Florida Commission on Hurricane Loss Projection Methodology Meetings to review models for acceptability under the 2008 Standards

June 11-12, 2009, 9th Annual Participating Insurers Workshop in Orlando

12. Schedule & Agenda for Upcoming Meetings -- *Anne Bert*

- A. March 27, 2009 (if needed) – Conference Call, 10:00 a.m. – 12:00 ET**
 - 1. Vote to approve the 2009/2010 Premium Formula (Tentative)**
 - 2. Vote to approve filing the Premium Formula Rule for Notice (Tentative)**

- B. May 12, 2009 – 9:00 a.m. – 1:00 p.m. ET**
 - 1. May 2009 Bonding Estimates**
 - 2. Legislative Update**

13. Concluding Remarks

-- Jim Henderson, Chair