Florida Hurricane Catastrophe Fund

Estimated Claims Paying Capacity

October 2009

The Big Picture

- The FHCF is a statutorily created reinsurer of covered residential hurricane losses in Florida
- The FHCF **reimburses** participating insurers for covered losses
- The FHCF's potential sources of reimbursement include:
  - Fund balance available to pay claims (i.e. surplus)
  - Pre-event borrowing proceeds and related liquidity instruments
  - Post-event borrowing proceeds (secured by emergency assessments)
  - Reinsurance proceeds (if any)
- In May and October of each year, the FHCF is required to publish an estimate of its *"estimated borrowing capacity, estimated claims paying capacity and projected balance of the fund as of December 31."*
- The presentation is meant to provide information and perspective to assist the FHCF in meeting this requirement

The Approach

- Prior to the presentation in October 2008, *"Estimated Claims Paying Capacity"* presentations included a calculation of the FHCF's borrowing capacity without regard to any potential market capacity constraints
  - The implicit assumption was that there was a strong likelihood the FHCF could actually access the market for the full amount of its statutory limit over time; previous market conditions were conducive to such an assumption
- The global financial crisis of 2008 made access to the capital markets difficult or impossible for institutions around the world. While market conditions have improved in recent months, the capital markets environment remains difficult
  - Given the FHCF's reliance on post-event financing for large losses, the crisis still has an impact on the FHCF's ability to fund to the maximum of its statutory limit
- Therefore, this presentation incorporates two different analyses of claims paying capacity:
  - Calculation of theoretical claims paying capacity given statutory limitations but without regard to market constraints
  - Calculation of estimated and projected claims paying capacity given both statutory limitations and market constraints
    - The bonding portion of this claims paying capacity is based primarily on input received from the FHCF's three senior managing underwriters (Citi, Goldman Sachs and JP Morgan)

Summary of 2009 Legislative Changes

- Omnibus Property Insurance Bill CS/CS/CS/HB 1495 was signed into law by Governor Crist on May 27, 2009
- **Major FHCF provisions:**
  - Reduces capacity for TICL optional coverage by $2 billion per year for next six years in response to concerns of post-event funding ability
  - Increases premium by a factor of 2 for TICL optional coverage to encourage more private participation (over the next five years the factor increases to 3, 4, 5, and 6 in order to transition to near market based pricing)
  - Allows for "cash build up" factor of 5% in rates to reduce reliance on post-event bonding (this factor increases each year by 5% until it ultimately reaches 25% in year five and thereafter)
  - Reinstates the "up to" $10 million coverage option for certain companies

Overall result of legislation was to strengthen the FHCF financially and encourage greater employment of private capital in the Florida market

The Results Assuming No Market Constraints

- The maximum statutory limit of $23.173 billion is available for both the initial season and a subsequent season

- **Claims Paying Capacity Given Statutory Limitations but Assuming No Market Constraints:**

  - Given its statutory capabilities, available resources, current market rates, and currently outstanding debt, the FHCF has a theoretical multi-year claims paying capacity of $46.346 billion, broken down as follows:

	Projected Fund Balance	Pre-Event Notes (Series 2007A)	Post-Event Borrowing Capacity[1]	Total Claims Paying Capacity[5]	Annual Assessment %[2]
Initial Season	$4.498 B	$3.500 B	$15.175 B	$23.173 B	3.8%
Subsequent Season[3,4]	$1.486 B	-	$21.687 B	$23.173 B	4.5%
Total[5]	**$5.984 B**	**$3.500 B**	**$36.862 B**	**$46.346 B**	**8.3%**

1 Represents total borrowing capacity, not claims-paying capacity. Claims-paying capacity will be less due to costs of issuance, capitalized interest, deposit to debt service reserve fund, etc.
2 1% of total emergency assessments is not utilized until 2014 when the Series 2006A Bonds and Series 2008A Bonds reach final maturity.
3 Subsequent season capacity is based on the assumption that mandatory, TICL, and LAC coverage will be at the same level as the initial season.
4 Interest rates based on current market conditions for a 30-year period.
5 Numbers may not add due to rounding.

The Results Assuming Market Constraints

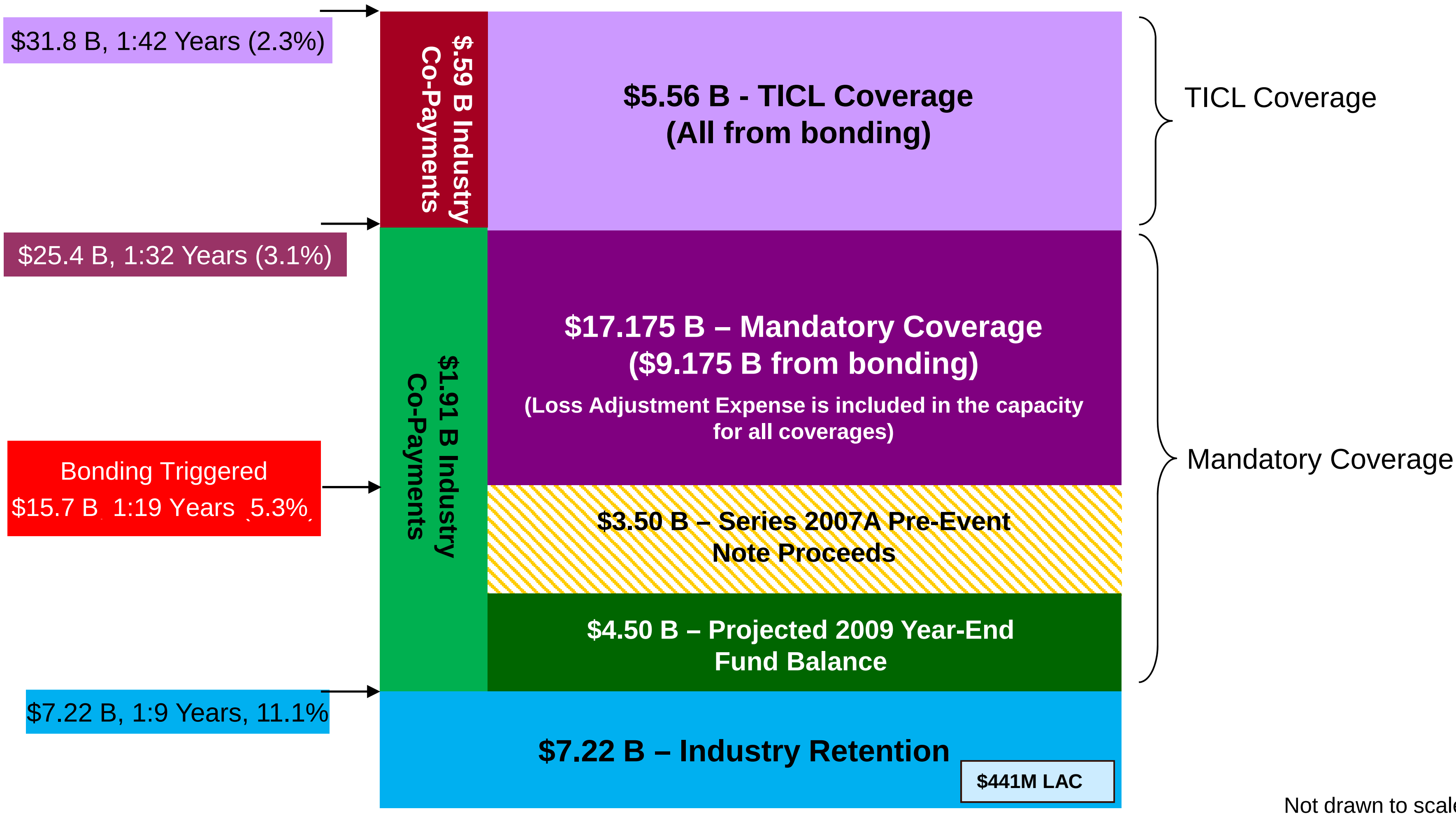
ESTIMATED AND PROJECTED CLAIMS PAYING CAPACITY:

- Given current market conditions, significant uncertainty still exists as to the FHCF's bonding capacity after an event
- The FHCF's senior managers submitted bonding capacity estimates based on both tax-exempt and taxable markets using a wide range of interest rate flexibility and timing
- Estimates ranged from $5 billion to $20 billion for post-event bonding capacity depending on the size of the event, markets accessed, the time necessary to access such markets, and the interest rates utilized – **given this range the estimate of projected post-event bonding capacity is $11 billion**
- Given the state of financial markets and the FHCF's senior managers' estimates of borrowing capacity, the FHCF has an estimated range of claims paying capacity of $14.998 to $21.998 billion. **The projected claims paying capacity is determined to be $18.998 billion**, broken down as follows:

	Projected Fund Balance	Pre-Event Notes (Series 2007A)	Post-Event Estimated Borrowing Capacity[1]	Total Estimated Claims Paying Capacity	Annual Assessment %
Initial Season	$4.498 B	$3.500 B	$7.000 B (min.)[2] **$11.000 B (proj.)** $14.000 B (max.)[2]	$14.998 B (min.) **$18.998 B (proj.)** $21.998 B (max.)	2.5% [3] **3.9%** [3] 5.0% [3]

1 Represents total borrowing capacity. Claims-paying capacity will be less due to costs of issuance, capitalized interest, deposit to a debt service reserve fund, etc.
2 Minimum post-event borrowing capacity based on an arithmetic mean, rounded to the nearest billions, of senior managers' estimates of minimum borrowing capacity over the next 12 months (Citi $5B, GS $7B, and JPM $8B); maximum 12-month post-event borrowing capacity based on an arithmetic mean of senior managers' estimates of maximum borrowing capacity over the next 12 months (Citi $12B, GS $11B, and JPM $20B).
3 Based on an above-market interest rate of 12% amortized over a 30-year period.

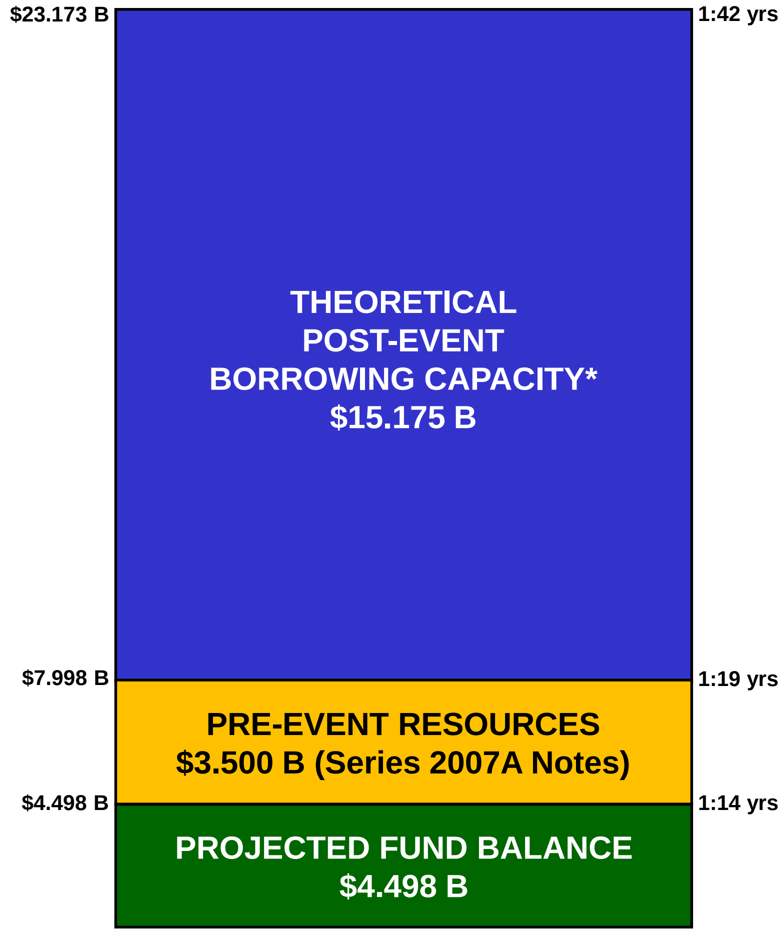
The FHCF's Potential Obligations



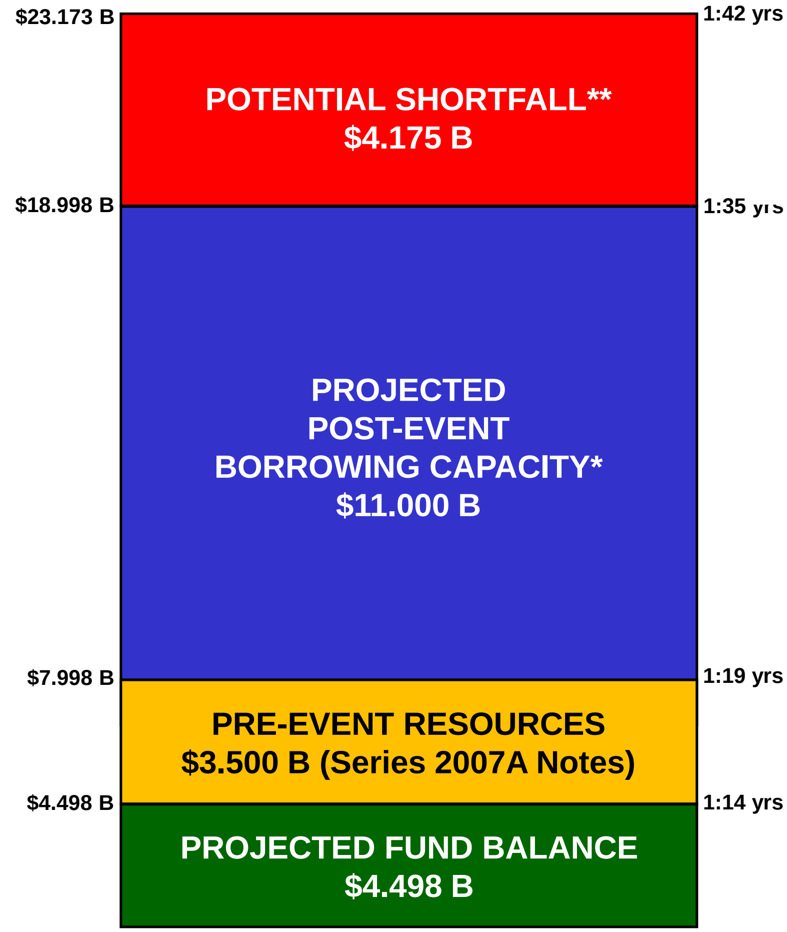
Not drawn to scale.

Overview of Claims Paying Capacity Funding Sources

2009 THEORETICAL CLAIMS PAYING CAPACITY



2009 PROJECTED CLAIMS PAYING CAPACITY



* Represents total borrowing capacity. Claims-paying capacity will be less due to costs of issuance, capitalized interest, deposit to a debt service reserve fund, etc.

** Potential shortfall from the maximum statutory cap.

Breakdown of Three Main Funding Sources

- **Fund Balance:**

• As of 6/30/09	$3,087,000,000
• Net Additions	<u>$1,411,000,000</u>
• Projected 12/31/09	$4,498,000,000

- **Pre-Event & Other Liquidity Resources:**

• Floating Rate Notes, Series 2007A	$3,500,000,000

TOTAL POTENTIAL LIQUIDITY $7.998 B

- **Post-Event Borrowing Capacity (Initial Season)*:**

• Statutory Maximum Borrowing Capacity	$15,175,000,000
• Estimated Borrowing Capacity** (Range)	$7 - $14 Billion
• **Projected Borrowing Capacity (12-mo proj.)**	**$11 Billion**

- **Total Projected Claims Paying Capacity (Initial Season):**

• Statutory Maximum Theoretical Capacity	$23,173,000,000
• Estimated Capacity (12-mo min.)	$14,998,000,000
• **Projected Capacity (12-mo proj.)**	**$18,998,000,000**
• Estimated Capacity (12-mo max.)	$21,998,000,000

* Represents total borrowing capacity. Claims-paying capacity will be less due to costs of issuance, capitalized interest, deposit to debt service reserve fund, etc.

** Minimum post-event borrowing capacity based on an arithmetic mean ,rounded to the nearest billion, of senior managers' estimates of minimum borrowing capacity over the next 12 months; maximum 12-month post-event borrowing capacity based on an arithmetic mean of senior managers' estimates of maximum borrowing capacity over the next 12 months.

Pre-Event & Other Liquidity Resources

- Pre-Event funding is designed to provide cash to the FHCF to pay future loss reimbursements
  - The FHCF has $3.500 billion in outstanding pre-event and other liquidity resources (excluding fund balance), all of which represents available liquidity for loss reimbursements
- Series 2007A Floating Rate Notes:
  - Description: Taxable floating rate debt sold to various inst'l investors in 10/2007
  - Par Amount: $3,500,000,000
  - Interest Rate: 1-month LIBOR + 78 bps (reset every month)
  - Final Maturity: October 15, 2012 ("bullet" maturity)
  - Optional Redemption: October 15, 2008 @ 101% (declines 0.25% annually)

Post-Event Borrowing Capacity

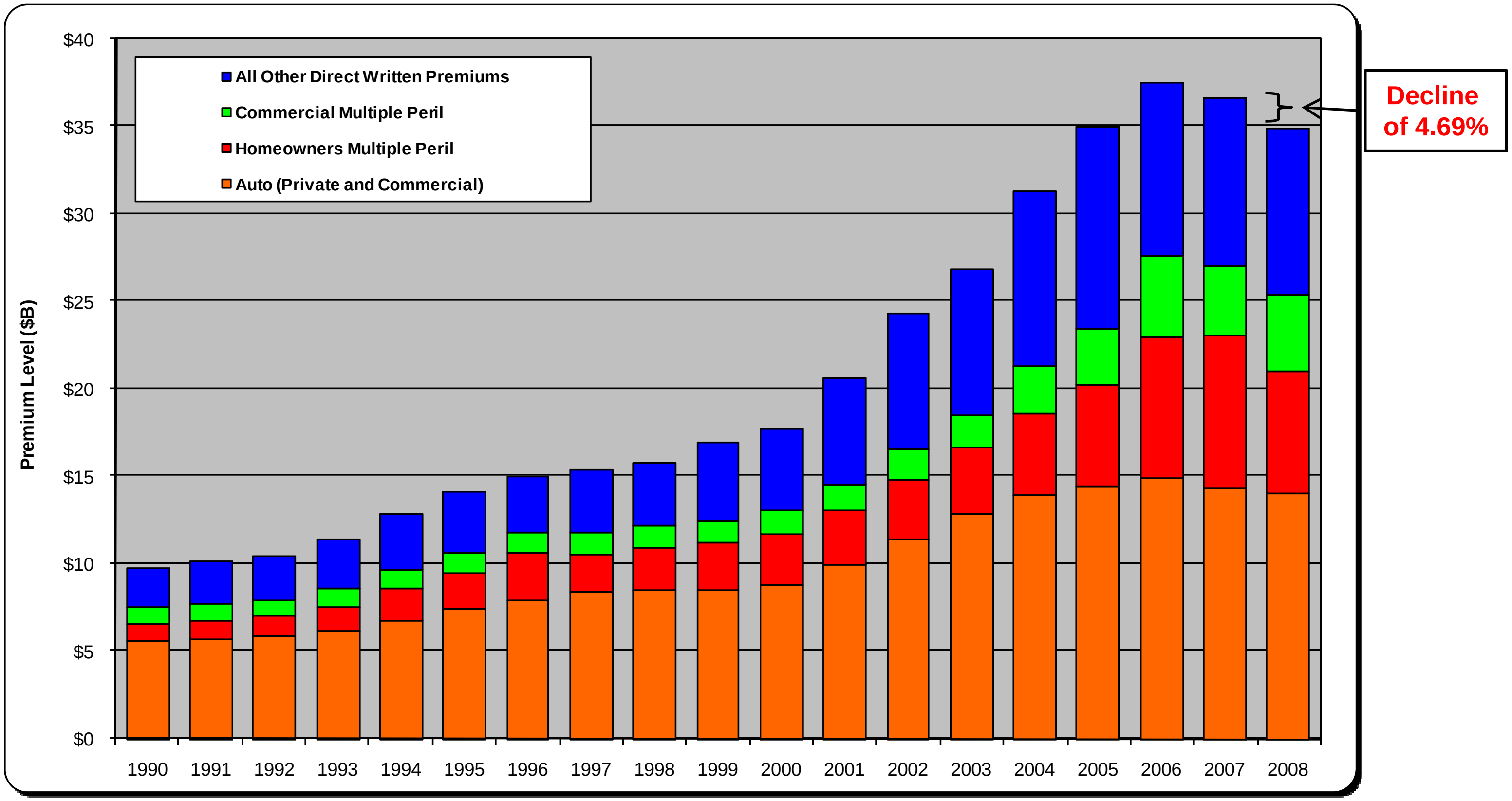
- The FHCF has the statutory ability to issue tax-exempt bonds secured by emergency assessments to meet its claims paying obligations after a hurricane
  - Current long-term bond ratings of Aa3/AA-/AA-
- Constraints:
  - Ongoing emergency assessment limit of 6% per year and total combined emergency assessment limit of 10% for both initial and subsequent seasons
  - Final maturity limit of 30 years from the time of issuance
  - Coverage requirement on all post-event bonds of 1.25 times
  - Existing tax-exempt post-event debt:

	Series 2006A Bonds[1]		Series 2008A Bonds		Total Post-Event Debt Service			Annual
	Principal	Interest	Principal	Interest	Principal	Interest	P&I	Assessment %
2010	$269,485,000	$42,536,825	$0	$29,865,356	$269,485,000	$72,402,181	$341,887,181	1.00%
2011	282,660,000	29,362,575	0	29,865,356	282,660,000	59,227,931	341,887,931	1.00%
2012	296,795,000	15,229,575	0	29,865,356	296,795,000	45,094,931	341,889,931	1.00%
2013	0	0	300,000,000	29,865,356	300,000,000	29,865,356	329,865,356	1.00%
2014	0	0	325,000,000	15,450,425	325,000,000	15,450,425	340,450,425	1.00%
Total	**$848,940,000**	**$87,128,975**	**$625,000,000**	**$134,911,850**	**$1,473,940,000**	**$222,040,825**	**$1,695,980,825**	

1 Original bonds were issued in the amount of $1.35 billion – these amounts represent currently outstanding bonds.

The FHCF Assessment Base

- The FHCF assessment base includes all property & casualty lines except worker's comp, medical malpractice, accident and health, and Federal flood insurance
- Current base is $34.9 billion



Direct Written Premiums

Lin[illegible]ess	2008 Total Assessable Premium (as [illegible] 9/09)
Fire	$1,019,525,903
Allied Lines	$2,333,652,010
Multiple Peril Crop	$289,754,847
Farmowners Multiple Peril	$55,270,585
Homeowners Multiple Peril	$6,747,520,732
Commercial Multiple Peril (Non-Liability)	$1,095,954,961
Commerical Multiple Peril (Liability)	$527,564,462
Mortgage Guaranty	$369,135,758
Ocean Marine	$299,799,896
Inland Marine	$843,933,392
Financial Guaranty	$78,853,210
Earthquake	$5,874,939
Other Liability	$1,950,010,807
Products Liability	$111,344,827
Private Passenger Auto No-Fault (PIP)	$2,485,732,363
Other Private Passenger Auto Liability	$6,155,630,682
Commercial Auto No-Fault (PIP)	$113,807,638
Other Commercial Auto Liability	$1,249,002,026
Private Passenger Auto Physical	$3,680,276,298
Commercial Auto Physical Damage	$332,537,661
Aircraft (All Perils)	$130,374,585
Fidelity	$53,385,192
Surety	$366,939,725
Burglary and Theft	$9,665,154
Boiler and Machinery	$51,418,275
Credit	$54,572,092
Aggregate Write-ins	$376,886,808
Independently Procured Coverage (IPC)	$42,005,213
Total	**$30,830,430,041**

2007 DWP:
$32,545,116,166

2008 DWP:
$30,830,430,041

% Change in DWP:
-5.27%

* Source: Florida Office of Insurance Regulation, Market Research Unit

Surplus Lines Premiums

Coverage Code	2008 Surplus Lines Premiums (as of 4/30/09)
[1000] Commercial Property	2,017,070,797
[1001] Builders Risk	95,309,720
[1002] Business Income	2,746,227
[1003] Apartments (Commercial)	12,780,556
[1004] Boiler and Machinery	106,718
[1005] Commercial Package (Property & Casualty)	278,785,129
[1006] Condominium Package (Commercial)	27,786,777
[1008] Difference In Conditions	22,921,929
[1009] Earthquake	163,004
[1010] Flood	10,117,383
[1011] Glass (Commercial)	(68)
[1012] Mortgagee Impairment	178,006
[1013] Windstorm &/or Hail	43,234,626
[1014] Mold Coverage - Commercial	(8,346)
[1016] Excess Flood - Commercial	9,008,918
[1100] Bankers Blanket Bond	3,029,564
[1101] Blanket Crime Policy	779,147
[1102] Employee Dishonesty	63,672
[1103] Identity Theft	71,976
[1201] Credit Insurance	1,011,732
[1202] Animal Mortality	283,188
[1203] Mortgage Guaranty	26,226
[12[illegible]] Product Recall	470,324
[1206] Kidnap/Ransom	51,105
[1207] Surety	1,801,813
[1208] Weather Insurance	588,163
[1209] Prize Indemnification	439,449
[1210] Accident Travel	45,367
[1211] Terrorism	10,686,905
[2000] Homeowners-HO-1	330,160
[2001] Homeowners-HO-2	83,841
[2002] Homeowners-HO-3	143,585,256
[2003] Tenant Homeowners-HO-4	513,541
[2004] Homeowners-HO-5	3,567,438
[2005] Condo Unit-Owners HO-6	24,822,339
[2006] Homeowners-HO-8	12,486,264
[2007] Dwelling Builders Risk	1,424,397
[2008] Dwelling Flood	19,943,240
[2009] Dwelling Property	40,671,200
[2010] Farmowners Multi-Peril	1,262,249
[2011] Mobile Homeowners	3,670,979
[2012] Windstorm	23,868,777
[2015] Excess Flood (Residential)	16,510,712
[3000] Marina Operations Legal	951,585
[3001] Marine Liabilities Package	7,389,813
[3002] Ocean Marine-Hull &/or Protection & Indemnity	7,906,166
[3003] Ocean Cargo Policy	9,534,573
[3004] Ship Repairers Legal Liability	40,836

Coverage Code	2008 Surplus Lines Premiums (as of 4/30/09)
[3005] Stevedores Legal Liability	113,645
[3006] Personal & Pleasure Boats & Yachts	31,013,691
[3007] Ocean Marine Builder's Risk	45,434
[4000] Inland Marine (Commercial)	27,067,750
[4001] Inland Marine (Personal)	25,296,452
[4002] Motor Truck Cargo	11,594,999
[4003] Jewelers Block	6,333,900
[4005] Contractors Equipment	1,066,414
[4006] Electronic Data Processing	336,994
[5000] Commercial General Liability	643,409,393
[5001] Commercial Umbrella Liability	76,398,821
[5002] Directors & Officers Liability (Profit)	19,168,342
[5003] Directors & Officers Liability (Non-Profit)	4,579,695
[5004] Educator Legal Liability	707,232
[5005] Employment Practices Liability	16,386,962
[5006] Excess Commercial General Liability (Not Umbrella)	78,729,349
[5007] Excess Personal Liability (Not Umbrella)	2,232,308
[5008] Liquor Liability	4,826,917
[5009] Owners & Contractors Protective	4,827,827
[5010] Personal Umbrella	3,313,781
[5011] Personal Liability	3,408,660
[5012] Pollution & Environment Liability	38,482,239
[5013] Product & Completed Operations Liability	10,789,992
[5014] Public Officials Liability	781,269
[5015] Police Professional Liability	927,082
[5016] Media Liability	1,236,669
[5017] Railroad Protective Liability	5,893,249
[5019] Guard Service Liability	915,991
[5020] Special Events Liability	1,752,376
[7000] Architects & Engineers Liability	24,306,648
[7001] Insurance Agents & Brokers E&O	16,266,516
[7002] Lawyers Professional Liability	25,206,240
[7003] Miscellaneous E&O Liability	72,732,307
[7004] Real Estate Agents E&O	2,107,822
[7005] Software Design Computer E & S	823,355
[8000] Commercial Auto Liability	5,290,734
[8001] Commercial Auto Excess Liability	6,855,554
[8002] Commercial Auto Physical Damage	16,754,714
[8003] Dealers Open Lot	6,147,745
[8004] Garage Liability	15,825,959
[8005] Garage Keepers Legal	1,822,986
[8006] Private Passengers Auto-Physical Damage Only	3,741,654
[8007] Personal Excess Auto Liability	1,712,133
[9000] Commercial Aircraft Hull &/or Liability	13,062,762
[9001] Airport Liability	2,011,260
[9002] Aviation Cargo	361,356
[9003] Aviation Product Liability	477,240
[9005] Personal & Pleasure Aircraft	90,756
Total as of 4/30/09	**4,095,348,540**

2007 Surplus Lines Premiums: $4,101,192,689

2008 Surplus Lines Premiums: $4,095,348,540

% Change in Surplus Lines Premiums: -0.14%

* Source: FSLSO

* Based on policies with a submitted/filed/written date from 1/1/08 to 12/31/08.

* Independently Procured Coverage (IPC) included in totals, but only for those policies that have been paid ($6,816,357.51 paid).

Historical Assessment Base

Calendar Year	Admitted lines DWP	Surplus Lines & Independently Procured Premium	Total Aggregate Premium	6% Emergency Assessment	% Premium Change From Prior Year
1995	$13,782,528,507	-	$13,782,528,507	-	-
1996	$14,994,283,493	-	$14,994,283,493	-	8.79%
1997	$15,401,838,211	-	$15,401,838,211	-	2.72%
1998	$15,817,192,766	-	$15,817,192,766	-	2.70%
1999	$16,036,013,133	-	$16,036,013,133	-	1.38%
2000	$16,780,114,935	-	$16,780,114,935	-	4.64%
2001	$19,195,286,560	-	$19,195,286,560	-	14.39%
2002	[illegible]22,150,290,94[illegible]	-	[illegible]22,1[illegible],2[illegible],[illegible]4[illegible]	-	1[illegible].39%
2003	$24,410,590,887	$2,434,696,171	$26,845,287,058	$1,610,717,223	21.20%
2004	$28,648,648,240	$2,695,485,410	$31,344,133,650	$1,880,648,019	16.76%
2005	$31,713,757,522	$3,275,286,947	$34,989,044,469	$2,099,342,668	11.63%
2006	$33,346,228,384	$4,207,911,564	$37,554,139,948	$2,253,248,397	7.33%
2007	$32,545,116,166	$4,101,192,689	$36,646,308,855	$2,198,778,531	-2.42%
2008	$30,830,430,041	$4,095,348,540	$34,925,778,581	$2,095,546,715	-4.69%

* Source: OIR and FSLSO
* DWP is as of 12/31 as reported by the companies to the NAIC on the Annual Statement until 1/1/07 when DWP is based on companies reporting to the FHCF for the 1% assessment and is subject to change as company/agent adjustments are reported.
* In 2004, the Florida legislation excluded medical malpractice for 3 years and included surplus lines.
* In 2007, the Florida legislation excluded medical malpractice until 2010.
* Average assessment increase from 1995-2008 (geometric mean) is 7.41%.

Interest Rate Spreads

Year	Spread at Pricing of Series 2006A	Spread at Pricing of Series 2008A	Estimated October 2008 Spreads	Estimated May 2009 Spreads	Estimated October 2009 Spreads
1	-	-	1.83%	3.25%	1.75%
2	0.20%	-	1.85%	3.25%	2.00%
3	0.23%	-	1.86%	3.25%	2.00%
4	0.24%	-	1.88%	3.25%	2.25%
5	0.25%	1.44%	1.91%	3.25%	2.25%
6	0.25%	1.40%	1.90%	3.25%	2.25%
7	-	-	1.89%	3.25%	2.25%
8	-	-	1.87%	3.25%	2.25%
9	-	-	1.86%	3.25%	2.25%
10	-	-	1.84%	3.25%	2.25%
11	-	-	1.82%	3.00%	2.00%
12	-	-	1.80%	3.00%	2.00%
13	-	-	1.78%	3.00%	2.00%
14	-	-	1.78%	3.00%	2.00%
15	-	-	1.78%	3.00%	2.00%
16	-	-	1.77%	3.00%	2.00%
17	-	-	1.77%	3.00%	2.00%
18	-	-	1.77%	3.00%	2.00%
19	-	-	1.77%	3.00%	2.00%
20	-	-	1.77%	3.00%	2.00%
21	-	-	1.77%	2.75%	2.00%
22	-	-	1.77%	2.75%	2.00%
23	-	-	1.77%	2.75%	2.00%
24	-	-	1.77%	2.75%	2.00%
25	-	-	1.77%	2.75%	2.00%
26	-	-	1.77%	2.75%	2.00%
27	-	-	1.78%	2.75%	2.00%
28	-	-	1.78%	2.75%	2.00%
29	-	-	1.78%	2.75%	2.00%
30	-	-	1.78%	2.75%	2.00%

* Current spreads were determined from an approximate average of the estimated spreads provided by the FHCF's three senior managing underwriters on or near October 2, 2009 and assume uninsured tax-exempt bonds rated Aa3/AA-/AA- .

Recent Bond Issuance Trends

- The number and par amount of municipal financings completed had a fairly significant drop in the last quarter of 2008 and the beginning of 2009, but the ability of a municipal issuer to enter the bond market has remained fairly steady

Municipal Issuances								
	Tax-Exempt		Taxable		Total			
Month	Par Amount ($mm)	# of Issues	Par Amount ($mm)	# of Issues	Par Amount ($mm)	# of Issues	Avg. Issue Size ($mm)	Largest Issue ($mm)
Jan-08	$18,215.5	662	$977.3	53	$19,192.8	715	$26.8	$1,588.8
Feb-08	$19,696.4	665	$769.1	45	$20,465.5	710	$28.8	$1,748.6
Mar-08	$36,322.2	795	$3,764.4	59	$40,086.6	854	$46.9	$2,407.7
Apr-08	$42,719.9	1,011	$4,976.9	87	$47,696.8	1,098	$43.4	$1,700.0
May-08	$39,135.8	1,061	$2,017.9	63	$41,153.7	1,124	$36.6	$1,058.6
Jun-08	$41,898.5	1,128	$3,467.7	87	$45,366.2	1,215	$37.3	$1,500.0
Jul-08	$31,023.5	843	$3,904.6	48	$34,928.1	891	$39.2	$1,322.6
Aug-08	$29,712.3	821	$1,243.9	49	$30,956.2	870	$35.6	$1,050.0
Sep-08	$18,391.5	621	$819.5	46	$19,211.0	667	$28.8	$1,750.0
Oct-08	$19,562.8	528	$667.1	40	$20,229.9	568	$35.6	$5,000.0
Nov-08	$24,063.6	639	$422.8	36	$24,486.4	675	$36.3	$1,122.7
Dec-08	$18,214.7	618	$795.7	50	$19,010.4	668	$28.5	$1,500.0
Jan-09	$22,002.9	586	$643.7	26	$22,646.6	612	$37.0	$841.3
Feb-09	$22,819.8	785	$329.3	25	$23,149.1	810	$28.6	$950.0
Mar-09	$36,833.5	853	$1,752.5	60	$38,586.0	913	$42.3	$6,543.0
Apr-09	$25,483.8	830	$10,806.3	71	$36,290.1	901	$40.3	$6,855.0
May-09	$26,432.4	889	$3,778.0	100	$30,210.4	989	$28.4	$1,021.0
Jun-09	$35,380.7	970	$8,539.3	141	$43,920.0	1111	$33.1	$3,418.2
Jul-09	$21,284.6	745	$4,471.1	130	$25,755.7	875	$26.4	$1,038.2
Aug-09	$25,446.1	760	$10,403.7	170	$35,849.8	930	$39.2	$2,000.0
Sep-09	$21,141.7	810	$8,280.5	205	$29,422.2	1015	$31.2	$8,800.0
Average	**$27,418.2**	**791**	**$3,468.2**	**76**	**$30,886.4**	**867**	**$34.8**	**$2,534.1**
2008 Total	**$338,956.7**		**$23,826.9**		**$362,783.6**			**$5,000.0**
YTD 2009 Total	**$236,825.5**		**$49,004.4**		**$285,829.9**			**$8,800.0**

- There has been a dramatic increase in the issuance of taxable bonds since April 2009 in response to Build America Bonds being introduced as a new financing option for governmental entities as part of the ARRA

Conclusion

- **The FHCF has substantial liquid resources of approximately $8 billion available to it**
  - These resources would enable the FHCF to avoid bonding after most events and would provide a time cushion before bonding is required after a large event. If bonding is required, the FHCF would not need to access the markets all at once in order to meet its reimbursement obligations
  - The probability of storm losses exceeding these liquid resources is approximately 5.3% in a given season
  - The FHCF is a highly rated credit with long-term debt ratings of Aa3/AA-/AA- which are higher than all but a few reinsurers
- **However, the FHCF would still need to rely heavily on funding from the post-event bond market to reach the maximum statutory claims paying limit**
  - Maximum potential bonding for the initial season required to fund the maximum statutory limit is $15.175 billion
- **Even with the improvements in the market conditions, the global credit crisis of 2008 has hampered the ability of all institutions, including the FHCF, to access the financial markets to its maximum capacity**
  - Based on estimates from its three senior managing underwriters, the FHCF may not be able to issue bonds to its statutory limit for an initial season
- **The FHCF's senior managers estimate post-event bonding capacity ranging from $5 billion to $20 billion; given these estimates, the projected post-event bonding capacity is $11 billion which results in a projected claims paying capacity of $18.998 billion**