

SUMMARY OF MINUTES¹

January 8, 2013

A teleconference meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Tuesday, January 8, 2013, at the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 1:05 p.m. and concluded at 2:40 p.m. ET.

FHCF Advisory Council Members participating:

John Auer
Don Brown
M. Campbell Cawood
William Huffcut
David Walker
Floyd Yager, Chair

FHCF Advisory Council Members absent:

Jeff Evans
Kurt Gurley

Item 1 – CALL MEETING TO ORDER

Floyd Yager, Chair, called the meeting to order.

Item 2 – ROLL CALL

Mr. Yager called roll and noted that a quorum was present.

Item 3 – APPROVAL OF THE OCTOBER 9, 2012 MEETING MINUTES

A suggestion to add to the minutes the 24 month estimated bonding proceeds of \$13 billion was made by Campbell Cawood. A motion to approve the minutes as amended was made by Bill Huffcut and seconded by John Auer, and the October 9, 2012 minutes were unanimously approved.

Item 4 – ELECTION OF VICE CHAIR

In accordance with the Advisory Council Member Handbook, the Chair's term of office expires, the Vice Chair rotates into the office of Chair, and a Vice Chair is chosen in the first quarter of each calendar year. Mr. Yager rotated into the office of Chair, and the floor was opened for nominations for the position of Vice Chair. David Walker was nominated by Col. Huffcut, seconded by Mr. Auer, and a vote approving Mr. Walker as Vice chair passed unanimously.

Item 5 – DISCUSSION OF THE 2013 DATA CALL AND INSURER RESPONSIBILITIES RULES

Jack Nicholson, FHCF Chief Operating Officer, began by discussing the changes in Rule 19-8.029, Insurer Reporting Requirements and Rule 19-8.030, Insurer responsibilities. Dr. Nicholson also

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.

informed the Council of an issue in the process of developing the premium formula with the mitigation credits cap. After discussion, the Council recommended Paragon Strategic Solutions actuaries continue with the phase in of mitigation credits in preparing the rates that will be presented to the Council in March for approval. Dr. Nicholson asked Martin Helgestad, Managing Director of Paragon and Gina Wilson, FHCF Director of Examinations to explain the changes in the associated forms for the 2013/2014 contract year. Mr. Helgestad discussed a new form, Detailed Claims Listing Instructions, which previously was a part of the Advanced Preparation Instructions. He then provided an explanation of the 2013/2014 FHCF Data Call changes taken to simplify the rules around specific exposures to be reported or not to be reported. Mrs. Wilson reviewed the updates to the 2013 Exposure and Loss Reimbursement Examinations Advance Preparation Instructions.

Item 6 – APPROVAL TO FILE RULES FOR NOTICE AND ADOPTION

A motion to file Rules 19-8.029 and 19-8.030 for Notice of Proposed Rule and for Adoption if a hearing is not timely requested was made by Mr. Walker and seconded by Mr. Yager. The motion was approved by unanimous vote.

Item 7 – CHIEF OPERATING OFFICER’S REPORT

Dr. Nicholson updated the Advisory Council on the status of pre-event financing and legislation for the upcoming Session. Anne Bert, FHCF Director of Operations, provided comments on the financial statements addressing previous concerns raised by Mr. Cawood. Kapil Bhatia of Raymond James & Associates, the FHCF Financial Advisor, commented on the pledges disclosed in the bonding supplemental documentation. George Smith, attorney with the law firm Bryant, Miller and Olive, the FHCF Disclosure Counsel, commented on the due diligence and offering statements which are prepared with each bond issue to provide appropriate disclosure under anti-fraud rules. Mrs. Bert expressed the goal of the FHCF is to be responsive, transparent, and as thorough as possible to Advisory Council questions and comments.

Item 8 – SCHEDULE AND AGENDA FOR NEXT MEETING

Dr. Nicholson announced the next Advisory Council meeting will be on March 21, 2013, from 1:30 p.m. to 5:00 p.m. ET, when the FHCF Actuaries will present the 2013 Premium Formula. The Advisory Council will vote to approve the 2013 Premium Formula and to file Rule 19-8.028 for Notice of Proposed Rulemaking. A conference call has been scheduled for March 28, 2013, from 10:00 a.m. to 12:00 p.m. ET, if needed, to vote on the approval of the 2013 Premium Formula. The next scheduled meeting will be May 16, 2013, from 1:30 p.m. to 5:00 p.m. ET, to discuss and approve the May 2013 Bonding Capacity Estimates.

Item 9 – CONCLUDING REMARKS

There being no further business, the meeting was adjourned.