



Florida Hurricane

Catastrophe Fund

Florida Hurricane Catastrophe Fund

Advisory Council Meeting

May 16, 2013

Introductory Comments

1. Meeting called to order & opening comments – *Floyd Yager, Chair*
2. Roll call – *Floyd Yager, Chair*
3. Approval of March 21, 2013 Minutes – *Floyd Yager, Chair*

Agenda

- 1.** Call Meeting to Order – *Floyd Yager, Chair*
- 2.** Roll Call – *Floyd Yager, Chair*
- 3.** Approval of March 21, 2013 Meeting Minutes – *Floyd Yager, Chair*
- 4.** Presentation of the Draft May 2013 Estimated Claims Paying Capacity – *Kapil Bhatia, Raymond James & Associates, Inc.*
- 5.** Vote to Approve the May 2013 Estimated Claims Paying Capacity – *Floyd Yager, Chair*
- 6.** FHCF Staff Report – *Jack Nicholson*
- 7.** Schedule & Agenda for Next Meeting – *Jack Nicholson*
- 8.** Concluding Remarks – *Floyd Yager, Chair*

4. Presentation of the Draft May 2013 Estimated Claims Paying Capacity

-- Kapil Bhatia, Raymond James & Associates, Inc.

**5. Vote to Approve the May 2013
Estimated Claims Paying Capacity**
-- Floyd Yager, Chair

6. FHCF Staff Report

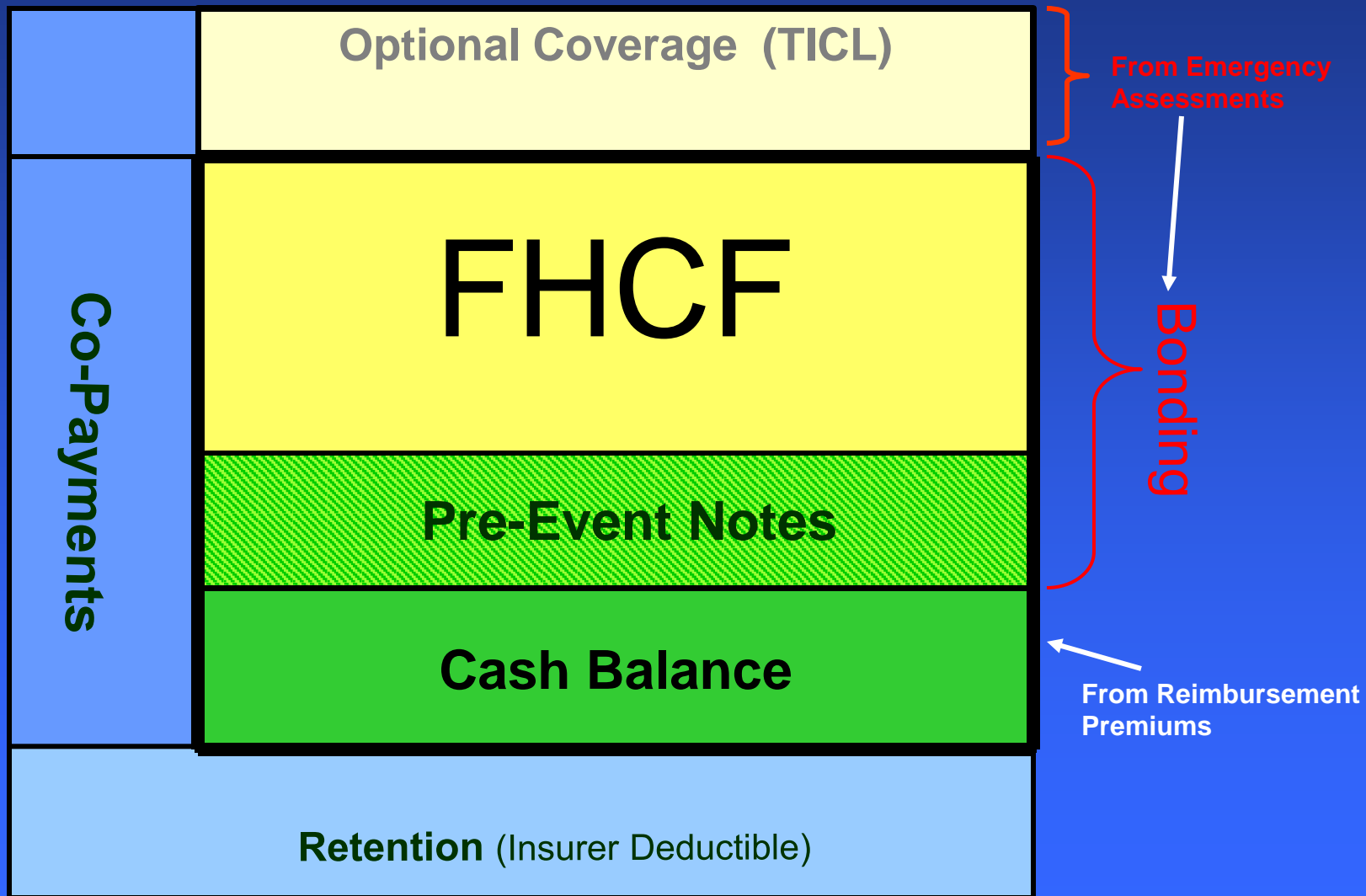
-- Jack Nicholson, FHCF Chief Operating Officer

- a. 2013 Legislative Update – Leonard Schulte**

- b. 2013-14 Contract Year FHCF Structure**

Basic Structure of the FHCF

with Optional Coverages and Pre-Event Notes



2013/2014 Initial Season

Not Drawn to Scale.

Mandatory & Optional Coverage Selected 3/1/13

Not Official
(For Illustrative Purposes Only)

TOTAL POTENTIAL CAPACITY ALL COVERAGES: \$19 Billion

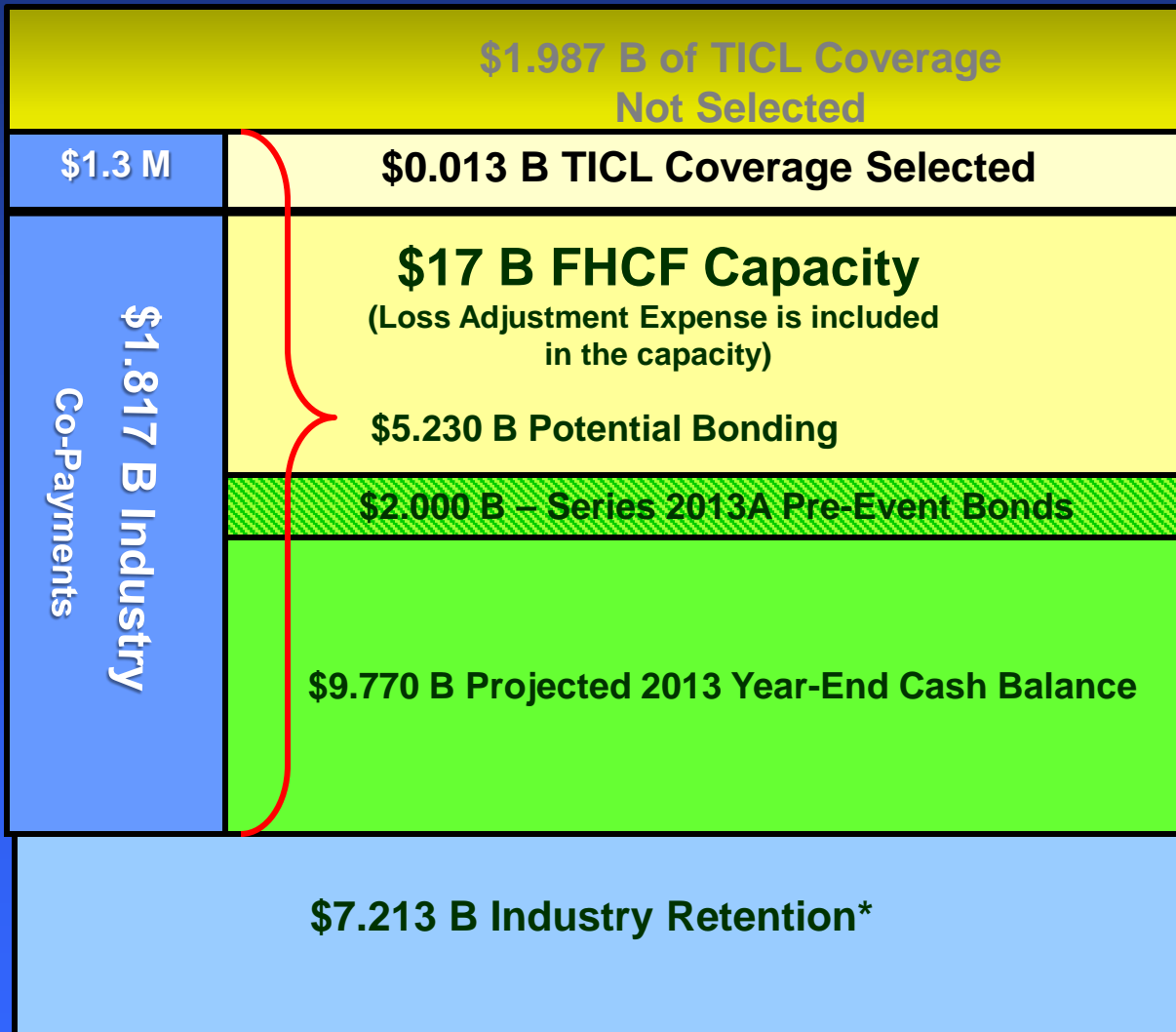
\$27.3 Billion
38 Years
2.7%

\$25.2 Billion
34 Years
3.0%

\$19.7 Billion
24 Years
4.1%

\$17.6 Billion
21 Years
4.8%

\$7.213 Billion
9 Years
11.3%



TICL – “Temporary Increase in Coverage Limit” Optional Coverage

Potential Capacity

\$ 0.013B TICL
\$ 17.000B FHCF
\$ 17.013B
- 9.770B Cash
- 2.000B Pre-Event
\$ 5.243B Bonding

\$5.230B for Mandatory
\$0.013B for TICL

Mandatory Coverage

*Individual company retentions are their share of the industry retention.

FHCF Staff Report continued...

-- Jack Nicholson, FHCF Chief Operating Officer

c. Pre-event Financing

- **\$2 Billion Pre-Event Fixed Rate Notes**
 - **\$500 Million – 3 year maturity**
 - **\$500 Million – 5 year maturity**
 - **\$1 Billion – 7 year maturity**

FHCF Staff Report continued...

-- Jack Nicholson, FHCF Chief Operating Officer

d. FHCF Exposure Examination Program

Exposure Examination Program Update: Breakdown of 2012 Companies

163 Participating Companies

76

99% of
Premium

87

1% of
Premium

97 Companies Scheduled

99.14% Total Premium

76 (All)
99% Companies

21
1% Companies

Breakdown of 2012 Companies *at May 30, 2013*

97 Companies Scheduled

76

99%
Companies

21

1%
Companies

63 Companies Examined

94.98% Total Premium

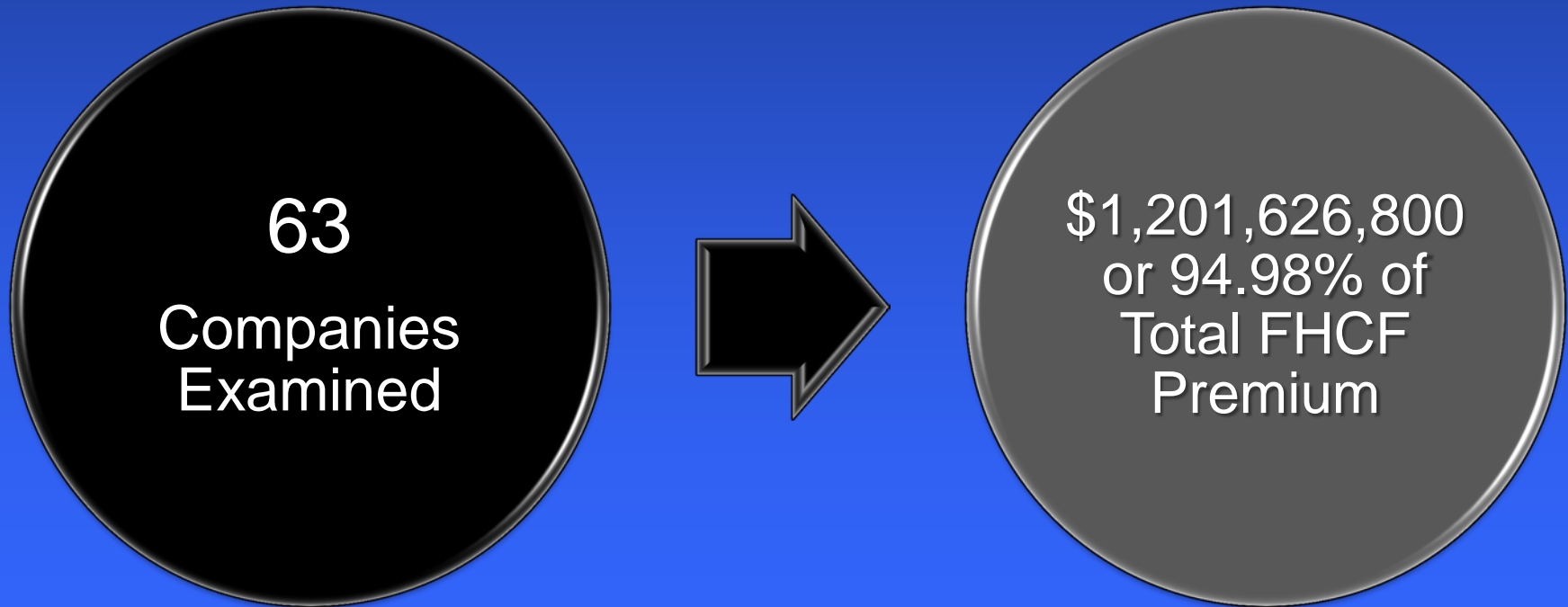
57

99% Companies

6

1% Companies

FHCF Premium Examined *at May 30, 2013*



FHCF Staff Report continued...

-- Jack Nicholson, FHCF Chief Operating Officer

e. Florida Commission on Hurricane Loss Projection Methodology

- **Received 5 models in November 2012 for review and acceptability under the 2011 Standards – AIR Worldwide, Applied Research Associates, EQECAT, Florida Public Model, and Risk Management Solutions**
- **Professional Team has completed all initial on-site reviews and additional verification reviews**
- **Commission will meet June 18-20, 2013 to review the models and determine their acceptability under the 2011 Standards**

FHCF Staff Report continued...

-- Jack Nicholson, FHCF Chief Operating Officer

- **Florida Commission on Hurricane Loss Projection Methodology (con't):**
 - **Committee meetings August 13-15, 2013 for developing 2013 Standards**
 - **September 24 & 25, 2013 to adopt the 2013 Standards and Acceptability Process**

FHCF Staff Report continued...

-- Jack Nicholson, FHCF Chief Operating Officer

f. Staff Activities:

- SBA Leadership Training
- SBA/Cabinet Meeting to approve the Premium Formula and Rule 19-8.028 for Notice of Proposed Rule and for Adoption if a Rule Hearing is not timely requested

Upcoming Meetings:

- 13th Annual Participating Insurers Workshop in Orlando, June 13 & 14, 2013

7. Schedule & Agenda for Next Meeting

-- Jack Nicholson, FHCF Chief Operating Officer

- September (Conference Call) – Request Approval to file Rules for Notice of Proposed Rulemaking
- October – Presentation and approval of the October Claims Paying Capacity Estimates

Dates and times to be determined

8. Concluding Remarks

-- *Floyd Yager, Chair*