

## **SUMMARY OF MINUTES<sup>1</sup>**

May 16, 2013

A meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Thursday, May 16, 2013, in Room 116 of the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 1:40 p.m. and concluded at 4:10 p.m. ET.

### FHCF Advisory Council Members participating:

John Auer (by phone)  
Don Brown (by phone)  
M. Campbell Cawood  
Kurt Gurley (by phone)  
William Huffcut (by phone)  
David Walker (by phone)  
Floyd Yager (by phone)

### FHCF Advisory Council Members absent:

Jeff Evans

### **Item 1 – CALL MEETING TO ORDER**

Floyd Yager, Chair, called the meeting to order.

### **Item 2 – ROLL CALL**

Anne Bert, FHCF Director of Operations, called roll and noted that a quorum was present.

### **Item 3 – APPROVAL OF THE MARCH 21, 2013 MEETING MINUTES**

A motion was made by John Auer, seconded by David Walker, and the March 21, 2013 minutes were unanimously approved.

### **Items 4 & 5 – PRESENTATION OF THE DRAFT MAY 2013 ESTIMATED CLAIMS PAYING CAPACITY AND VOTE TO APPROVE THE MAY 2013 ESTIMATED CLAIMS PAYING CAPACITY**

Rick Patterson and Kapil Bhatia of Raymond James & Associates, the FHCF Financial Advisor, reported on the success of the pre-event financing that closed in April 2013 noting that ultimately \$2 billion in taxable pre-event bonds were sold in three, five, and seven year maturities. They presented the draft May 2013 Estimated Claims Paying Capacity and discussed the process for estimating the FHCF's borrowing capacity. Total mandatory coverage for the 2013-2014 hurricane season is \$17 billion with TICL coverage at \$13 million. Projected year-end cash available is approximately \$9.77 billion with pre-event bonds of \$2 billion producing a potential post-event bonding need of \$5.243 billion. The average estimated bonding capacity, as determined by the FHCF's senior managers, is \$7.3 billion for the first 12 months with an additional \$6.6 billion from

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<sup>1</sup> 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.

12-24 months. Total estimate of claims paying capacity with cash and pre-event bonds is \$19.070 billion with a potential excess capacity available for subsequent season of \$2.057 billion for the 12 month period. A motion to approve the May 2013 Estimated Claims Paying Capacity was made by Campbell Cawood, seconded by Mr. Auer, and passed unanimously.

**Item 6 – FHCF STAFF REPORT**

Lamar Taylor, Deputy Executive Director of the State Board of Administration (SBA), provided an overview of the SBA’s organizational structure.

Leonard Schulte, FHCF Director of Legal Analysis & Risk Evaluation, provided an update on the results of the 2013 legislative session.

Gina Wilson, FHCF Director of Examinations, provided an update on the FHCF examination program.

Jack Nicholson, FHCF Chief Operating Officer, updated the Council on activities of the Florida Commission on Hurricane Loss Projection Methodology and FHCF staff activities.

**Item 7 – SCHEDULE AND AGENDA FOR NEXT MEETING**

Ms. Bert informed the Council that the next meeting would be a conference call to address revising the reimbursement contract rule and forms for the upcoming 2014/2015 contract year.

**Item 8 – CONCLUDING REMARKS**

There being no further business, the meeting was adjourned.