

SUMMARY OF MINUTES¹

February 7, 2014

A teleconference meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Friday, February 7, 2014, at the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 1:05 p.m. and concluded at 2:55 p.m. ET.

FHCF Advisory Council Members participating:

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

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

Mr. Yager requested Jack Nicholson call the roll, and it was noted that a quorum was present.

Item 3 – APPROVAL OF THE OCTOBER 15, 2013 MEETING MINUTES

A motion to approve the minutes was made by Don Brown and seconded by John Auer, and the October 15, 2013 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. David Walker rotated into the office of Chair, and the floor was opened for nominations for the position of Vice Chair. William Huffcut was nominated by Mr. Brown, seconded by Mr. Auer, and a vote approving Col. Huffcut as Vice Chair passed unanimously.

Item 5 – DISCUSSION OF THE ISSUANCE OF REVENUE BONDS, 2014 DATA CALL, AND INSURER RESPONSIBILITIES RULES

Leonard Schulte, FHCF Director of Legal Analysis & Risk Evaluation, began by discussing the changes in Rule 19-8.013, Issuance of Revenue Bonds, Rule 19-8.029, Insurer Reporting Requirements (Data Call), and Rule 19-8.030, Insurer responsibilities. Martin Helgestad,

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.

Managing Director, Paragon Strategic Solutions Inc. and Gina Wilson, FHCF Director of Examinations reviewed the changes in the incorporated forms for the 2014/2015 contract year.

Item 6 – APPROVAL TO FILE RULES FOR NOTICE AND ADOPTION

A motion to file Rules 19-8.013, 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. Brown and seconded by Col. Huffcut. The motion was approved by unanimous vote.

Item 7 – FHCF WEB INSURER REPORTING ENGINE (WIRE)

Ms. Wilson provided an overview of the new internet-based reporting application companies are required to use beginning with the 2014/2015 contract year data call. The new web-based system (*WIRE*) allows companies to report, validate, and transmit their exposure data electronically. More information will be presented to companies at the Participating Insurers Workshop on June 19&20, 2014. Ms. Wilson discussed the benefits for companies and the security measures being taken by the SBA.

Item 8 – CHIEF OPERATING OFFICER’S REPORT

Dr. Nicholson updated the Advisory Council on the SBA evaluating and considering the negotiation and purchase of a risk transfer product for the FHCF. He explained changes in the reinsurance market leading to more favorable pricing, terms and conditions as well as interest in the Florida Legislature for the FHCF to seriously look at a risk transfer product. Dr. Nicholson reported on his meeting with the FHCF reinsurance brokers who indicated a product could be favorably structured above the cash balance at a reasonable cost. Dr. Nicholson also discussed potential legislation to reduce FHCF exposure by eliminating coverage for homes valued at \$2 million or more.

Item 9 – SCHEDULE AND AGENDA FOR NEXT MEETING

Anne Bert, FHCF Director of Operations, announced the next Advisory Council meeting will be on March 20, 2014, from 1:30 p.m. to 5:00 p.m. ET, when the FHCF Actuaries will present the 2014 Premium Formula. The Advisory Council will vote to approve the 2014 Premium Formula and to file Rule 19-8.028 for Notice of Proposed Rulemaking. A conference call has been scheduled for March 31, 2014, from 1:00 p.m. to 4:00 p.m. ET, if needed, to vote on the approval of the 2014 Premium Formula and to review comments at a rule hearing for Rules 19-8.013, 19-8.029, and 19-8.030 if one is timely requested. The next scheduled meeting will be May 15, 2014, from 1:30 p.m. to 5:00 p.m. ET, to discuss and approve the May 2014 Bonding Capacity Estimates.

Item 10 – AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURN

David Walker requested FHCF staff review the Advisory Council Member Handbook to consider any updates or changes that may be appropriate and to bring any revisions before the Advisory Council at the March 20, 2014, meeting. There being no further business, the meeting was adjourned.