

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

May 15, 2014

A meeting of the Florida Hurricane Catastrophe Fund (FHCF) Advisory Council was held on Thursday, May 15, 2014, in Room 116 of the Hermitage Centre in Tallahassee, Florida. The meeting began at approximately 1:30 p.m. and concluded at 3:25 p.m. ET.

### FHCF Advisory Council Members participating:

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

### FHCF Advisory Council Members absent:

Floyd Yager

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

David Walker, Chair, called the meeting to order.

### **Item 2 – ROLL CALL**

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

### **Item 3 – APPROVAL OF THE MARCH 20, 2014 MEETING MINUTES**

A motion was made by Don Brown, seconded by John Auer, and the March 20, 2014 minutes were unanimously approved.

### **Items 4 & 5 – PRESENTATION OF THE DRAFT MAY 2014 ESTIMATED CLAIMS PAYING CAPACITY AND VOTE TO APPROVE THE MAY 2014 ESTIMATED CLAIMS PAYING CAPACITY**

Rick Patterson and Kapil Bhatia of Raymond James & Associates, the FHCF Financial Advisor, presented the draft May 2014 Estimated Claims Paying Capacity starting with an economic update and a discussion of the process and considerations in preparation for estimating the FHCF's borrowing capacity. Members of the new Investment Banking Services Team present and on the phone introduced themselves. Total mandatory coverage for the 2014-2015 hurricane season is \$17 billion. Projected year-end cash available is approximately \$10.95 billion with pre-event bonds of \$2 billion. The average estimated bonding capacity, as determined by the FHCF's senior managers, is \$8.3 billion for the first 12 months with an additional \$6.5 billion from 12-24 months. Total estimate of claims paying capacity with cash and pre-event bonds is \$21.250 billion with a potential excess capacity available for subsequent season of \$4.250 billion for the 12 month

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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.

period. A motion to approve the May 2014 Estimated Claims Paying Capacity was made by Mr. Brown, seconded by William Huffcut, and passed unanimously.

**Item 6 – FLORIDA DIVISION OF EMERGENCY MANAGEMENT REPORT ON THE HURRICANE LOSS MITIGATION PROGRAM**

Marianne Arbulu, Program Liaison, Bureau of Mitigation, Florida Division of Emergency Management presented a summary of the 2013 Florida Hurricane Loss Mitigation Program. After discussion and questions from members of the Advisory Council, Mr. Walker requested Ms. Arbulu to come back to another meeting with additional information on a longer term look at the funding that has occurred over the past 15 years, the aggregate benefit received from the funding, and the status of unallocated funds.

**Items 7 & 8 – DISCUSSION OF ADVISORY COUNCIL MEMBER HANDBOOK UPDATES AND VOTE TO AMEND THE ADVISORY COUNCIL MEMBER HANDBOOK**

Leonard Schulte, FHCF Director of Legal Analysis & Risk Evaluation, reviewed additional changes made to the member handbook at the request of Campbell Cawood. After discussion on conflicts of interest, Jack Nicholson, FHCF Chief Operating Officer, suggested Mr. Schulte conduct a training session on ethics, fiduciary responsibilities, the Sunshine Law, etc. as they apply to Advisory Council members. Mr. Walker requested the training be added to the October meeting. A motion was made by Col. Huffcut, seconded by Mr. Brown, and passed unanimously.

**Item 9 – FHCF CHIEF OPERATING OFFICER’S REPORT**

Mr. Schulte provided an update on the results of the 2014 legislative session.

Dr. Nicholson discussed the FHCF structure for the 2014/2015 Contract Year and reported the last commutation agreement for 2005 losses had been finalized.

**Item 10 – SCHEDULE AND AGENDA FOR NEXT MEETING**

Dr. Nicholson informed the Council that the next meeting would be a conference call to address revising the reimbursement contract rule and forms for the 2015/2016 contract year.

**Item 11 – AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURN**

There being no further business, the meeting was adjourned.