

The logo for the Florida Hurricane Catastrophe Fund is located at the top left of the slide. It features the text "Florida Hurricane" and "Catastrophe Fund" in white, stacked vertically. To the right of the text is a stylized graphic of a hurricane with a rainbow-colored arc at its base. The background of the slide is a photograph of palm trees blowing in the wind.

Florida Hurricane
Catastrophe Fund

Florida Hurricane Catastrophe Fund

Advisory Council Meeting

October 26, 2017

Introductory Comments

1. Meeting called to order & opening comments – *Floyd Yager, Chair*
2. Roll call – *Floyd Yager, Chair*
3. Approval of September 13, 2017 Minutes – *Floyd Yager, Chair*

Agenda

1. Call Meeting to Order – *Floyd Yager, Chair*
2. Roll Call – *Floyd Yager, Chair*
3. Approval of September 13, 2017 Meeting Minutes – *Floyd Yager, Chair*
4. Financial Market Update and Presentation of the Draft October 2017 Estimated Claims Paying Capacity – *Kapil Bhatia, Raymond James & Associates, Inc.*
5. Vote to Approve the October 2017 Claims Paying Capacity Estimates – *Floyd Yager, Chair*
6. Discussion of the 2018 Data Call and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities – *Leonard Schulte*
7. Vote to Approve filing a Notice of Proposed Rule for Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, and to file the rule, along with the incorporated forms, for adoption if no member of the public timely requests a rule hearing, or if a hearing is requested and no notice of change is needed – *Floyd Yager, Chair*
8. FHCF Chief Operating Officer's Report – *Anne Bert*
9. Schedule & Agenda for Next Meeting – *Anne Bert*
10. Audience Comments/Closing Remarks/Adjourn – *Floyd Yager, Chair*

4. Presentation of the Draft October 2017 Estimated Claims Paying Capacity

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

**5. Vote to Approve the October 2017 Claims
Paying Capacity Estimates -- *Floyd Yager, Chair***

6. Discussion of the 2018 Data Call and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities -- *Leonard Schulte*

7. Vote to Approve Filing a Notice of Proposed Rule for Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, and to file the rule, along with the incorporated forms, for adoption if no member of the public timely requests a rule hearing, or if a hearing is requested and no notice of change is needed -- *Floyd Yager, Chair*

8. FHCF Chief Operating Officer's Report

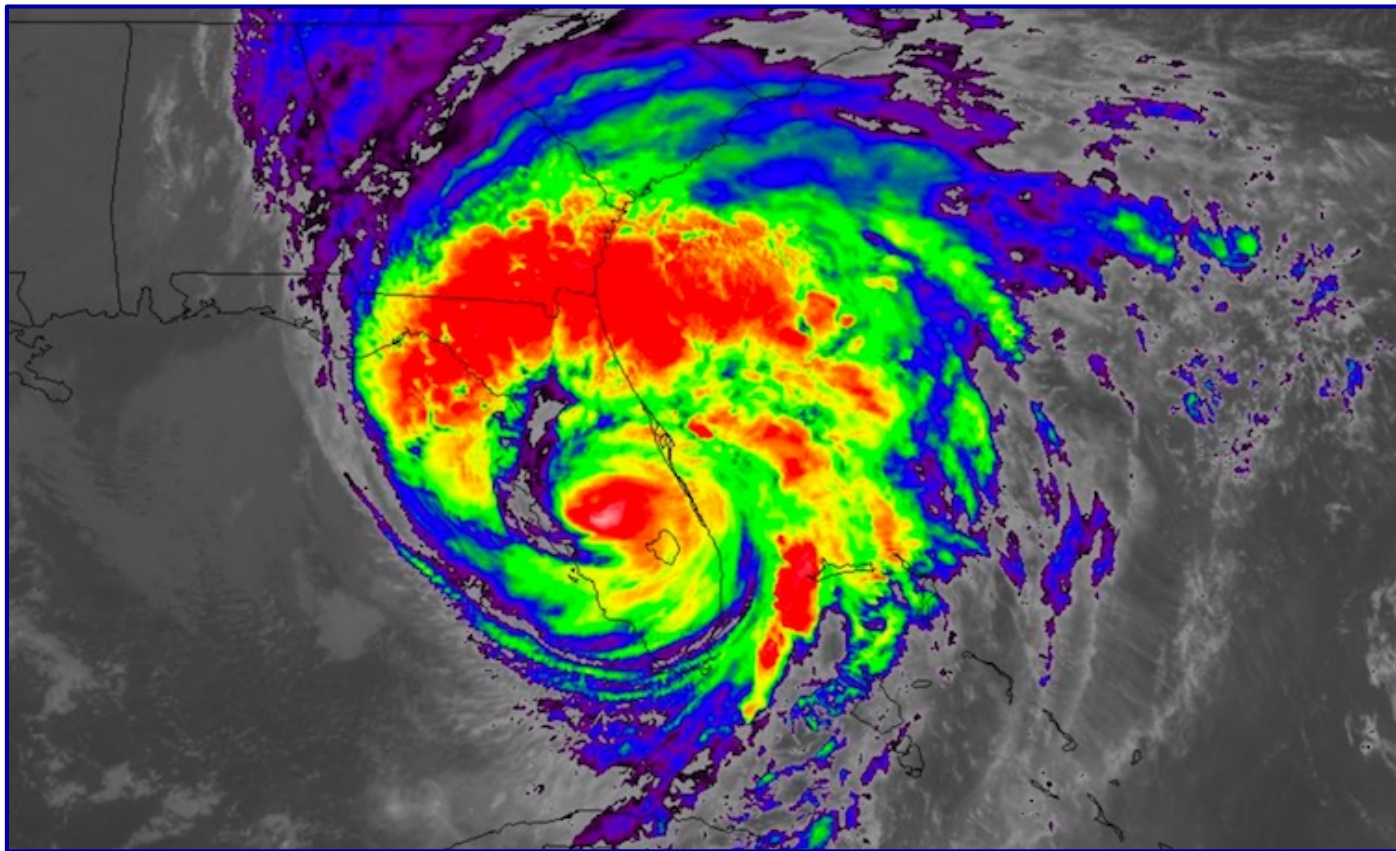
-- Anne Bert

- a. 2017 Hurricane Season Update
- b. 2018 Legislative Update
- c. Examination Programs Update
- d. Staff Activities

8. FHCF Chief Operating Officer's Report

-- *Anne Bert*

a. 2017 Hurricane Season Update



8. FHCF Chief Operating Officer's Report

-- *Anne Bert*

b. 2018 Legislative Update – *Leonard Schulte, Director of Legal Analysis & Risk Evaluation*

Legislation passed in 2017

- HB 359 by Rep. Santiago (R-Deltona)
 - “Omnibus” insurance bill
 - Makes the medical malpractice assessment exemption permanent
 - Under prior law, the exemption would have expired on 5/31/2019
- HB 813 by Rep. Lee (D-Fort Pierce)
 - Flood insurance revisions
 - Requires the Florida Commission on Hurricane Loss Projection Methodology to revise flood model standards every 4 years
 - Prior law provided for revision of the standards every second year

8. FHCF Chief Operating Officer's Report

-- *Anne Bert*

2018 proposed legislation directly affecting the FHCF

- HB 97 by Rep. Santiago (R-Deltona)
 - Similar to last year's HB 597, with several of the more controversial provisions removed
 - Adds 25% and 60% coverage options
 - Provides that the maximum capacity of the FHCF will "float" depending on participating insurers' actual coverage selections
 - Currently, the \$17 billion capacity is provided regardless of insurers' coverage selections
 - Makes the FHCF a general state obligation
 - Currently, FHCF obligations may not exceed "actual claims-paying capacity," defined as the FHCF's cash balance, reinsurance, and amounts it is able to borrow through post-event revenue bonds
 - Eliminates the cash buildup factor in FHCF premiums
 - Reinstates the cash buildup factor on a phased-in basis when the cash balance falls below \$10B
 - Imposes a 10% surcharge on FHCF premiums as a dedicated funding source for mitigation
 - Authorized the levy of assessments in the absence of post-event revenue bonds

8. FHCF Chief Operating Officer's Report

-- *Anne Bert*

Other 2018 proposed legislation

- Assignment of benefits under property insurance policies
 - SB 62 by Sen. Hukill (R-Port Orange)
 - Restricts and regulates AOB agreements
 - SB 256 by Sen. Farmer (D-Fort Lauderdale)
 - Prohibits restrictions on AOB in property insurance policies
 - Sets out requirements for AOB agreements
 - Requires annual data reporting
 - Also amends provisions relating to attorney fees

8. FHCF Chief Operating Officer's Report

-- Anne Bert

c. Examination Programs Update – *Steve Szypula, Director of Examinations*

- 2016/2017 and 2017/2018 Contract Year Exposure and Assumption Examinations

Contract Year (6/1 thru 5/31)

<u>Exposure Exams</u>	<u>2016</u>	<u>2017</u>
Participating insurers	158	160
Insurers 99% of premium	80	80
Insurers 1% of premium	78	80
Exposure exams	105	104
Premium examined	99.2%	99.3%

8. FHCF Chief Operating Officer's Report

-- *Anne Bert*

- Monthly Exam Meetings and Annual Update
- Weekly *WIRE* Meetings

8. FHCF Chief Operating Officer's Report

-- Anne Bert

d. Staff Activities:

- 17th Annual Participating Insurers Workshop
- SBA Quarterly Risk & Compliance Meeting
- SBA Strategic Planning
- FHCF/FIGA/Rehab Coordination Meeting
- Annual Paragon Planning Workshop
- Meet with Legislators and staff
- Presentations at House and Senate Banking & Insurance Committees
- ITN for Administrative Services and Actuarial Consulting Services
- Florida Commission on Hurricane Loss Projection Methodology committee meetings and adoption of 2017 Flood Standards and Report of Activities and 2017 Hurricane Standards and Report of Activities; New Commission Member Orientation

9. Schedule & Agenda for Next Meeting

-- Anne Bert

- November 14, 2017, 1:30 p.m. ET
Tentative conference call meeting to be held if a rule hearing on Rule 19-8.010 is timely requested to review comments made at the rule hearing
- January 9, 2018, 1:30 p.m. ET
Tentative conference call meeting to be held if a rule hearing on Rule 19-8.029 is timely requested to review comments made at the rule hearing

10. Audience Comments/Closing Remarks/Adjourn

-- Floyd Yager, Chair