REPORT PREPARED FOR THE FLORIDA HURRICANE CATASTROPHE FUND

CLAIMS-PAYING CAPACITY ESTIMATES

OCTOBER 26, 2017

ONCE FINALIZED, THE STATEMENT OF THE FHCF'S ESTIMATED BORROWING CAPACITY, ESTIMATED CLAIMS-PAYING CAPACITY, AND PROJECTED YEAR-END BALANCE REQUIRED UNDER S. 215.555(4)(C)2., F.S., WILL BE PUBLISHED IN THE FLORIDA ADMINISTRATIVE REGISTER AS REQUIRED BY LAW.

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Appendix

I. Introduction

The Florida Hurricane Catastrophe Fund ("FHCF") is a tax-exempt trust fund created by the State of Florida in 1993 and is administered by the State Board of Administration of Florida under Section 215.555, Florida Statutes. Its sole purpose is to stabilize the State's property insurance markets by providing contractually specified coverage that provides reimbursement for a portion of residential property insurers' hurricane losses. Participation is mandatory for authorized property insurers, subject to limited exceptions.

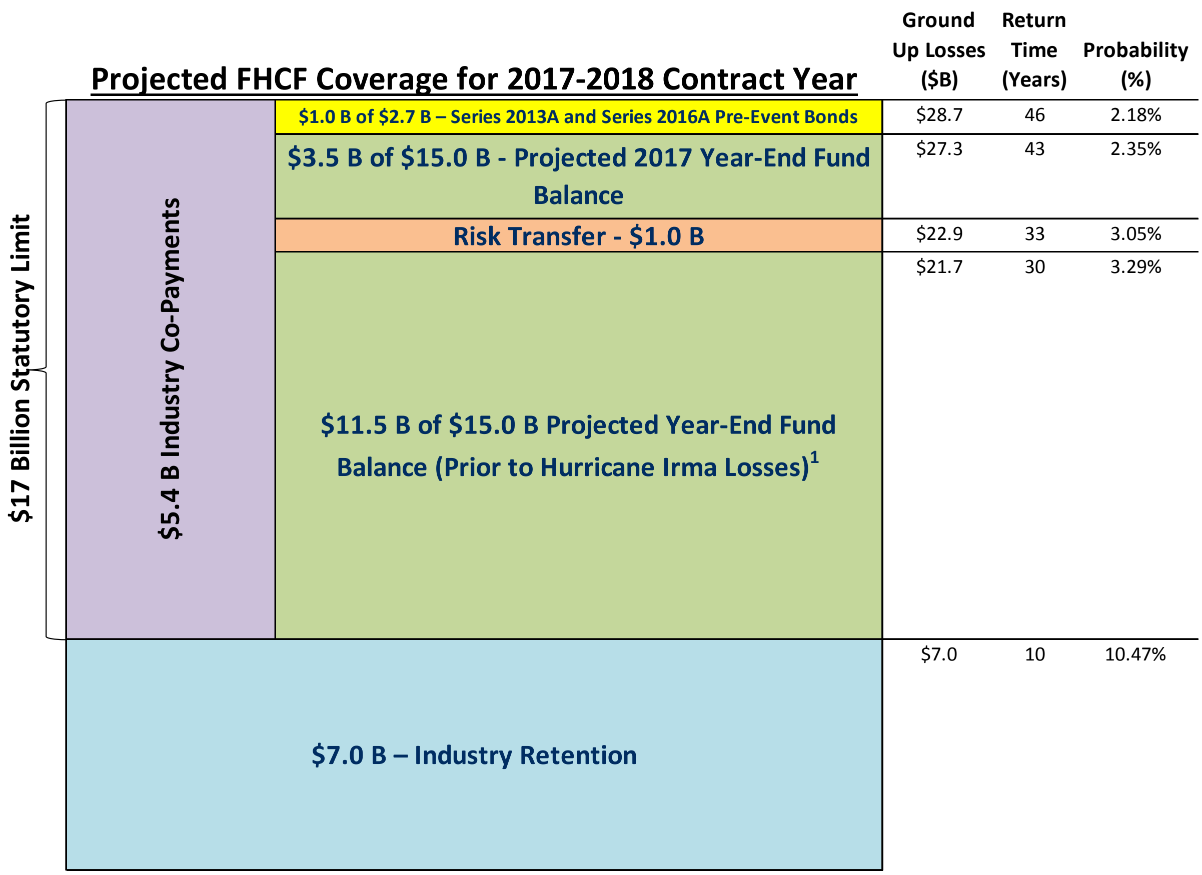
Participating insurers pay the FHCF annual reimbursement premiums as consideration for this coverage. The reimbursement premiums are based on insured values of covered properties, as reported annually to the FHCF. The FHCF statute requires the annual adoption of a reimbursement premium formula that generates "actuarially indicated" premiums as defined by law. An insurer's premium is proportionate to its coverage selection at a percentage level and its share of the FHCF's total risk exposure.

The annual reimbursement contract provides for reimbursement of a percentage of an insurer's residential hurricane losses in excess of its "retention" which is determined under a statutory formula. Reimbursement is provided at one of three percentage levels (90%, 75%, or 45%) selected in advance by the insurer.

The FHCF may obtain funds to pay its contractual reimbursement obligations from the following available potential sources:

(1) *Accumulated reimbursement premiums*
(2) *Pre-event bond proceeds and other pre-event liquidity resources*
(3) *Recoveries from reinsurance and other risk-transfer mechanisms*
(4) *Proceeds of post-event revenue bonds issued under Section 215.555(6), Florida Statutes, and secured by emergency assessments, if needed*
(5) *Emergency assessments under Section 215.555(6)(b), Florida Statutes, if needed*
(6) *Investment earnings on accumulated reimbursement premiums and emergency assessments*

The actual and potential obligations of the FHCF are limited by statute. For the contract year June 1, 2017 – May 31, 2018, the maximum potential liability of the FHCF is $17 billion, with total liquid resources of $18.7 billion, which is $1.7 billion above the maximum potential liability and therefore available for the subsequent season. In addition, the FHCF statute limits the Fund's reimbursement liability to its actual claims-paying capacity, which may depend on financial market conditions at the time of sale if post-event revenue bonds are needed to pay claims. The following chart summarizes the FHCF's projected coverage for the 2017-2018 contract year based on assumptions in the 2017 ratemaking formula report.



Not drawn to scale

[1] Paragon Strategic Solutions, the FHCF's consulting actuary, has projected the range of FHCF losses from Hurricane Irma to be between $3-$6 billion with a conservative point estimate of $5.1 billion.

In this chart the relevant data are aggregated for FHCF participating insurers. The references to probabilities, probable maximum losses, and cash exhaustion are shown for illustrative purposes only. The probabilities in this chart are presented as if all of the participating insurers had uniform exposures and loss experiences. In actual practice, each participating insurer has its own retention and coverage limits based upon its actual exposures, and therefore each participating insurer has its own unique probabilities of triggering its FHCF coverage and reaching its FHCF coverage limit.

Pursuant to Section 215.555(4)(c)(2), Florida Statutes, *"in May and October of the contract year, the board shall publish in the Florida Administrative Register a statement of the fund's estimated borrowing capacity, the fund's estimated claims-paying capacity, and the projected balance of the fund as of December 31."* The purpose of these claims-paying capacity estimate reports is to provide an estimate of the borrowing and claims-paying capacity of the FHCF for the 2017 season in order to assist the FHCF's participating insurers in determining their reimbursements.

Providing estimates at these particular times of the year is useful from the perspective that some insurers operate in multiple states and tend to purchase their private reinsurance effective January, while many other insurers operate solely in Florida and purchase their private reinsurance prior to June, effective June 1st of each year.

II. The Process

As in prior years, in order to estimate the FHCF's borrowing capacity for the 2017 and 2018 seasons, we took the following three steps:

Raymond James and the FHCF staff utilized the resources of the FHCF's five senior managing underwriters to estimate FHCF bonding capacity

(1) *Evaluated market conditions for the FHCF using our internal resources.* Raymond James & Associates, Inc. ("Raymond James"), a full service broker-dealer with approximately $12.4 billion in market capitalization (NYSE: RJF, www.raymondjames.com), serves as the independent financial advisor to the FHCF. Raymond James also serves as an advisor to numerous other governmental catastrophe insurance entities across the country and our experience includes the evaluation and placement of risk transfer programs in the traditional reinsurance and capital markets, the issuance of pre-event bonds and other liquidity mechanisms, the issuance of post-event bonds, and serving as an investment consultant. We rank among the top 10 municipal underwriters in the country and participate daily in the market for fixed income securities similar to those the FHCF has issued or would issue to help meet its reimbursement obligations after an event and have served as advisor or underwriter on the issuance of over $40 billion of debt and related financial instruments for the FHCF and other governmental catastrophe insurance entities around the country since 2005. Raymond James currently has over $664 billion of assets under management.

(2) *Solicited formal written feedback from the five current senior managing underwriters of the FHCF's financial services team.* These firms – Bank of America / Merrill Lynch, Citi, J.P. Morgan, Morgan Stanley and Wells Fargo – are among the largest financial services firms in the world, and each one has an extensive experience and expertise with FHCF securities and similar instruments for other municipal issuers. They all were also part of the team for the successful execution of the Series 2013A and Series 2016A pre-event financings. In the solicitation for the preparation of this report, we asked them to provide their estimates, given certain assumptions, of the FHCF's bonding capacity. In our written request for feedback, we sought to ensure that the underwriters had a clear understanding of the purpose of asking them to provide such estimates and the uses therefore. A copy of the solicitation and the response of each of the managers is contained in Appendix A.

(3) *We evaluated the written feedback and determined a recommended bonding capacity estimate for inclusion in this report.*

III. Analytical Considerations

> **The major constraint, if any in the future, for the FHCF in achieving its maximum reimbursement obligation is potential limitation of market access and capacity, not a lack of assessment capability or credit strength**

The FHCF has very strong debt repayment capabilities. From a credit standpoint, the ability to levy emergency assessments on all property and casualty insurance lines except workers' compensation, medical malpractice, federal flood, and accident and health lines is similar to a statewide sales tax on an essential product with an underlying premium base of over $43 billion. The strength of this pledged revenue stream is the primary reason the three major rating agencies – Moody's, Standard & Poor's, and Fitch – rate the FHCF's debt Aa3, AA, and AA, respectively. To put these ratings in perspective, less than 5% of U.S. corporations have ratings in the AA category by Standard & Poor's.

While the FHCF statute does limit the amount of assessments that can be levied – 6% for losses attributable to one contract year and 10% for losses attributable to all years – these percentages, when applied to the current assessment base of $43.7 billion[1] mean the FHCF could levy annual assessments of as much as $2.62 billion for losses from hurricanes occurring in one contract year and as much as $4.37 billion for losses from hurricanes occurring over multiple contract years. These annual amounts, in conjunction with the other available resources of the FHCF, are estimated to be more than sufficient to support enough bonds to enable the FHCF to meet its maximum initial season obligation and subsequent season coverage as well, assuming that the fixed income markets continue to function in a normal manner and the FHCF has market access to issue such bonds at the current market rate for the initial season, or even at inflated rates of 7%.

Market conditions have significantly improved over the last nine years with U.S. and global interest rates are still at almost all-time lows, with fixed rate issuance at all-time highs, enabling the FHCF to successfully execute the $2 billion Series 2013A and $1.2 billion Series 2016A taxable pre-event financings in 2013 and 2016, respectively. However, market conditions and access are never guaranteed, especially after an event or multiple events, and therefore always have some marginal uncertainty, which is critical to understanding the potential challenges the FHCF may face, especially after a large event. In addition, the FHCF also purchased reinsurance for the first time for the 2015 season in the amount of $1 billion at an attachment point of $12.5 billion and then again in 2016 and 2017 transferred $1 billion of risk to the global markets through traditional reinsurance, each at attachment points of $11.5 billion.

Under section 215.555(4) (b) 1, Florida Statutes, an insurer is prohibited from electing a lower coverage percentage upon renewal of its FHCF reimbursement contract if any post-event revenue bonds

[1] *See Appendix B for an analysis of the size and growth of the FHCF's assessment base over time.*

are outstanding. After the defeasance of FHCF post-event revenue bonds in 2014, some participating insurers elected to lower their coverage percentage selection starting in the 2015-2016 contract year. The average percentage coverage selection dropped from 89.9% for the 2014-2015 contract year to 74.8% for the 2017-2018 contract year. As a result of these changes, the copayment amount for a $17 billion FHCF payout increased from $1.8 billion for the 2014-2015 contract year to $5.4 billion for the 2017-2018 contract year. As reflected in the table below, for the 2017-2018 Contract Year, the FHCF has $18.7 billion of liquidity resources, which surpasses its maximum statutory obligation of $17 billion by $1.7 billion. In addition, after an event and depending on the market conditions and interest rates, the FHCF may be able to either draw on its pre-event bond proceeds and repay the pre-event bonds by levying an emergency assessment, or the FHCF could issue post-event bonds and leave its pre-event bond proceeds outstanding for a subsequent season(s). The table below shows the FHCF's obligations and its projected liquidity resources for the 2017-2018 Contract Year.

FHCF Obligations and Liquidity Resources – 2017-2018 Contract Year	Amount ($B)
Total Potential FHCF Obligations	**$17.0**
Projected 2017 Year-End Fund Balance (prior to the projected $5.1 billion Hurricane Irma loss estimate)	**$15.0**
Risk Transfer	**$1.0**
Series 2013A and Series 2016A Pre-Event Bonds Balance	**$2.7**
Total Liquidity Resources	**$18.7**
Total Liquidity Resources Above Potential Obligations	**$1.7**

If the FHCF were to leave all its Series 2013A and Series 2016A pre-event bond proceeds outstanding, the potential maximum amount of post-event bonding needed is projected to be approximately $1.0 billion for the 2017-2018 contract year. Bonding needs of this size are very common by municipal market standards, both in the taxable and tax-exempt markets. For example, 87 issues were completed above this amount, or $1.0 billion, in the taxable or tax-exempt municipal market since 2013.

Hurricane Irma initially made landfall on September 10th in the Florida Keys as a Category 4 hurricane, but quickly weakened to a Category 1 storm by September 11th. Paragon Strategic Solutions Inc., the FHCF's consulting actuary, estimates the FHCF's share of losses will be between $3-$6 billion and is projecting a conservative point estimate of $5.1 billion. Losses are only beginning to develop and there is significant uncertainty regarding the ultimate loss amount. Due to the preliminary nature of these estimates, a reserve has not yet been established.

Largest 25 Taxable Municipal Issuances By Par Amount Since 2013					
Rank	Issuer Name	State	Year of Sale	Issue Description	Par ($MM)
1	Grand Parkway Transport Corp	TX	2013	Subordinated Tier Toll Rev Bonds	$2,920
2	California	CA	2013	Various Purpose GO Bonds	$2,472
3	Regents of the Univ of California	CA	2013	General Revenue Bonds	$2,459
4	New York Transportation Dev Corp	NY	2016	Special Facilties Bonds	$2,410
5	New Jersey Economic Dev Auth	NJ	2013	School Facs Constr Ref Bonds	$2,253
6	New Jersey Economic Dev Auth	NJ	2015	School Facilities Con Ref Bonds	$2,178
7	Hudson Yards Infrastructure Corp	NY	2017	Second Indenture Revenue Bonds	$2,142
8	NYS Utility Debt Securitization Auth	NY	2013	Restructuring Bonds	$2,022
9	**FL St Board of Admin Finance Corp**	**FL**	**2013**	**Revenue Bonds**	**$2,000**
9	Port Authority of NY & NJ	NY	2015	Consolidated Bonds	$2,000
10	Los Angeles Comm College Dt	CA	2014	GO Refunding Bonds	$1,893
11	Empire State Development Corp	NY	2017	State Personal Inc Tax Rev Bonds	$1,843
12	Regents of the Univ of California	CA	2015	Ltd Project Revenue Bonds	$1,671
13	California	CA	2016	Various Purpose GO Bonds	$1,649
14	Regents of the Univ of California	CA	2013	General Revenue Bonds	$1,594
15	JobsOhio Beverage System	OH	2013	Stwide Sr Ln Liquor Profits Bonds	$1,511
16	California	CA	2016	Various Purpose GO Bonds	$1,468
17	Georgia	GA	2017	General Obligation Bonds	$1,390
18	NYS Dorm Authority	NY	2017	State Sales Tax Revenue Bonds	$1,381
19	Georgia	GA	2016	General Obligation Bonds	$1,371
20	NYC Transitional Finance Auth	NY	2017	Future Tax Secured Sub Bonds	$1,350
21	SC Pub Svc Au (Santee Cooper)	SC	2013	Revenue Obligations	$1,341
22	Empire State Development Corp	NY	2014	State Personal Inc Tax Rev Bonds	$1,297
23	Washington	WA	2016	General Obligation Bonds	$1,295
24	Georgia	GA	2015	General Obligation Bonds	$1,284
25	California	CA	2017	High-Speed Passenger Train Bonds	$1,248

Source: Thomson Financial for long-term taxable issuances from January 1, 2013 to September 30, 2017.

Largest 25 Tax-Exempt Municipal Issuances By Par Amount Since 2013					
Rank	Issuer Name	State	Year of Sale	Issue Description	Par ($MM)
1	Puerto Rico	PR	2014	General Obligation Bonds	$3,500
2	California	CA	2016	General Obligation Bonds	$2,951
3	Grand Parkway Transport Corp	TX	2013	First & Sub Tier Toll Rev Bonds	$2,920
4	California	CA	2017	GO Var Purpose & Refunding Bonds	$2,793
5	New Jersey Trans Trust Fund Au	NJ	2016	Revenue Notes	$2,741
6	California	CA	2016	GO Various Purpose & Ref Bonds	$2,653
7	California	CA	2013	GO Various Purpose & Ref Bonds	$2,630
8	California	CA	2017	GO Various Purpose & Ref Bonds	$2,538
9	California	CA	2013	Various Purpose GO Bonds	$2,472
10	Regents of the Univ of California	CA	2013	General Revenue Bonds	$2,459
11	California	CA	2014	General Obligation Bonds	$2,370
12	Foothill/Eastern Transp Corridor Agy	CA	2013	Toll Road Refunding Revenue Bonds	$2,275
13	New Jersey Economic Dev Auth	NJ	2013	School Facs Con Ref Bonds	$2,253
14	New Jersey Economic Dev Auth	NJ	2015	School Facilities Con & Ref Bonds	$2,178
15	Hudson Yards Infrastructure Corp	NY	2017	Second Indenture Revenue Bonds	$2,142
16	California	CA	2013	Various Purp & Sch Facs GO Bonds	$2,097
17	NYC Sales Tax Asset Rec Corp	NY	2014	Sales Tax Asset Revenue Bonds	$2,035
18	NYS Utility Debt Securitization Auth	NY	2013	Restructuring Bonds	$2,022
19	Port Authority of NY & NJ	NY	2015	Consolidated Bonds	$2,000
20	Bay Area Toll Authority (BATA)	CA	2017	Toll Bridge Revenue Bonds	$1,954
21	Chicago City-Illinois	IL	2015	Gen Airport Sr Ln Rev & Ref Bonds	$1,947
22	California	CA	2015	Various Purpose GO & Ref Bonds	$1,945
23	California	CA	2015	Various Purpose GO & Ref Bonds	$1,926
24	Los Angeles Comm College Dt	CA	2014	General Obligation Bonds	$1,893
25	Empire State Development Corp	NY	2017	State Personal Inc Tax Rev Bonds	$1,843

Source: Thomson Financial for long-term tax-exempt issuances from January 1, 2013 to September 30, 2017.

After a hurricane event, if the FHCF determines to issue post-event bonds, it most likely will not need to do one single large financing. Based on a higher attachment point and the past payout patterns the FHCF could also easily meet its 2017-2018 obligations by issuing one or two series of bonds over a period of 12 months or longer, if needed. Accordingly, it is also helpful to evaluate which issuers in the municipal market (both taxable and tax-exempt) have issued the most debt in a 12-month period. Since 2013, every issuer among the largest 25 issuers for each calendar year have issued more than $1 billion. The chart below shows the largest amounts issued in 2013 and 2014 were by the State of California in the amount of $8.5 billion and $6.2 billion, respectively. In 2015, the largest amount issued was $9.1 billion by the New York State Dormitory Authority. In 2016 and year-to-date 2017, the largest amounts issued were again by the State of California in the amount of $8.9 billion and $7.2 billion, respectively.

Largest 25 Issuers By Issued Par Amount In 2013

Rank	Issuer Name	Par ($MM)
1	**California**	**$8,450**
2	New York City-New York	$5,574
3	Regents of the Univ of California	$4,702
4	Illinois	$3,354
5	Empire State Development Corp	$3,283
6	Massachusetts	$3,226
7	NYC Transitional Finance Auth	$3,207
8	NYS Dorm Authority	$3,031
9	New Jersey Economic Dev Auth	$3,018
10	Washington	$2,936
11	Grand Parkway Transport Corp	$2,920
12	Metropolitan Transport Auth (MTA)	$2,763
13	Connecticut	$2,730
14	NYC Municipal Water Finance Auth	$2,392
15	Foothill/Eastern Transp Corridor Agy	$2,275
16	New Jersey Turnpike Authority	$2,137
17	Dallas & Fort Worth Cities-Texas	$2,067
18	Utility Debt Securitization Auth	$2,022
19	**Florida St Board Admin Fin Corp**	**$2,000**
20	California St Public Works Board	$1,912
21	Port Authority of NY & NJ	$1,850
22	SC Pub Svc Au (Santee Cooper)	$1,848
23	NYS Thruway Authority	$1,831
24	Jefferson Co-Alabama	$1,786
25	NYC Housing Dev Corp	$1,773

Largest 25 Issuers By Issued Par Amount In 2014

Rank	Issuer Name	Par ($MM)
1	**California**	**$6,243**
2	Texas Transportation Commission	$5,522
3	NYS Dorm Authority	$4,182
4	NYC Transitional Finance Auth	$3,831
5	Massachusetts	$3,616
6	Puerto Rico	$3,500
7	Connecticut	$3,283
8	New York City-New York	$2,998
9	Port Authority of NY & NJ	$2,880
10	Washington	$2,856
11	Michigan Finance Authority	$2,825
12	Chicago City-Illinois	$2,585
13	Houston City-Texas	$2,524
14	Illinois	$2,427
15	NYC Municipal Water Fin Auth	$2,391
16	Metropolitan Transport Auth (MTA)	$2,349
17	Bay Area Toll Authority (BATA)	$2,213
18	NYC Sales Tax Asset Rec Corp	$2,035
19	Pennsylvania Turnpike Commission	$1,982
20	New Jersey Economic Dev Auth	$1,972
21	NYC Housing Dev Corp	$1,933
22	NYS Housing Fin-Mortgage Agcy	$1,893
23	Maryland	$1,887
24	Los Angeles Comm College Dt	$1,843
25	Wisconsin	$1,762

Largest 25 Issuers By Issued Par Amount In 2015

Rank	Issuer Name	Par ($MM)
1	**NYS Dorm Authority**	**$9,093**
2	California	$6,380
3	NYC Transitional Finance Auth	$5,476
4	Chicago City-Illinois	$4,241
5	Connecticut	$3,611
6	Regents of the Univ of California	$3,350
7	Texas Transportation Commission	$3,301
8	Metropolitan Transport Auth (MTA)	$3,111
9	New York City-New York	$3,070
10	Port Authority of NY & NJ	$3,025
11	Michigan Finance Authority	$2,802
12	Washington	$2,569
13	Massachusetts	$2,552
14	New Jersey Economic Dev Auth	$2,448
15	Pennsylvania	$2,242
16	Miami-Dade Co-Florida	$2,168
17	Illinois Finance Authority	$2,144
18	NYC Municipal Water Fin Auth	$2,033
19	NYS Housing Fin-Mortgage Agcy	$1,763
20	Golden State Tobacco Sec Corp	$1,692
21	North Texas Tollway Auth (NTTA)	$1,627
22	Honolulu City & Co-Hawaii	$1,588
23	Wisconsin	$1,570
24	San Antonio City-Texas	$1,541
25	Massachusetts Dev Finance Agcy	$1,527

Largest 25 Issuers By Issued Par Amount In 2016

Rank	Issuer Name	Par ($MM)
1	**California**	**$8,921**
2	NYS Dorm Authority	$5,863
3	Metropolitan Transport Auth (MTA)	$5,192
4	Massachusetts	$4,826
5	NYC Transitional Finance Auth	$4,750
6	Massachusetts Dev Finance Agcy	$4,132
7	New York City-New York	$3,882
8	Connecticut	$3,657
9	Chicago City-Illinois	$3,513
10	Illinois	$3,362
11	Illinois Finance Authority	$3,327
12	New York Transportation Dev Corp	$3,255
13	California Health Facs Fin Auth	$3,214
14	Washington	$2,850
15	Pennsylvania	$2,841
16	New Jersey Trans Trust Fund Au	$2,741
17	Pennsylvania Turnpike Commission	$2,713
18	Univ of Texas Sys Bd of Regents	$2,628
19	Michigan Finance Authority	$2,567
20	Regents of the Univ of California	$2,391
21	Georgia	$2,260
22	Wisconsin	$2,197
23	Indiana Finance Authority	$2,165
24	Miami-Dade Co-Florida	$1,957
25	California Statewide CDA (CSCDA)	$1,950

Largest 25 Issuers By Issued Par Amount 2017YTD

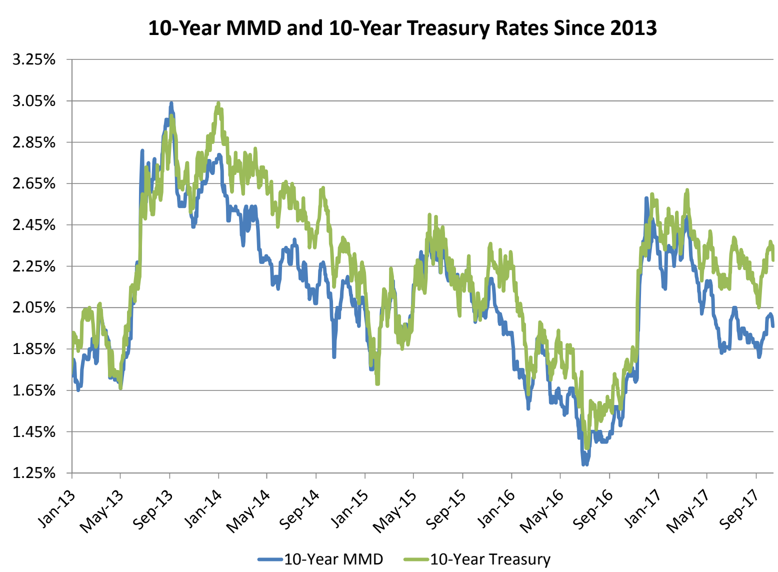
Rank	Issuer Name	Par ($MM)
1	**California**	**$7,185**
2	Texas	$5,400
3	NYC Transitional Finance Auth	$5,352
4	NYS Dorm Authority	$5,163
5	California Health Facs Fin Auth	$3,605
6	Massachusetts	$3,214
7	Metropolitan Transport Auth (MTA)	$3,181
8	Bay Area Toll Authority (BATA)	$2,813
9	New York City-New York	$2,599
10	Chicago City-Illinois	$2,568
11	Maryland	$2,476
12	Wisconsin	$2,188
13	Wisconsin Public Finance Auth	$2,174
14	Hudson Yards Infrastructure Corp	$2,142
15	Los Angeles City-California	$2,082
16	Regents of the Univ of California	$1,996
17	Empire State Development Corp	$1,843
18	New Jersey Turnpike Authority	$1,826
19	Port Authority of NY & NJ	$1,823
20	Los Angeles Dept of Wtr & Power	$1,751
21	Connecticut	$1,672
22	New Jersey Economic Dev Auth	$1,649
23	Oregon	$1,636
24	Pennsylvania Turnpike Commission	$1,579
25	Illinois Finance Authority	$1,490

Source: Thomson Financial for long-term issuances from January 1, 2013 to September 30, 2017.

In reviewing this history of large municipal issuers, however, it is important to note that the FHCF has been a relatively infrequent but large issuer of debt. Since 2006, the FHCF has completed seven bond issues totaling $12.1 billion (three tax-exempt issues totaling $2.6 billion and four taxable issues totaling $9.5 billion), of which $3.2 billion in pre-event debt has been issued since 2012 with $2.7 billion currently outstanding. By comparison, for example, since 2013, the State of California has completed 63 bond issues totaling $45.8 billion and the New York State Dormitory Authority has completed 145 bond issues totaling $28.0 billion. The FHCF's debt has always been issued with relatively short maturities ranging from 1-7 years (although it has the authority to issue debt with maturities of up to 30 years). California's issues, by comparison, have had maturities ranging from 1-34 years, and the New York State Dormitory Authority has had maturities ranging from 1-30 years.

As a less frequent issuer with relatively less debt outstanding and primarily at the shorter end of the yield curve, the FHCF is not as well covered by investor credit analysts in the primary or secondary markets who invest at the long-end of the yield curve, even though it has very strong credit ratings. This relative lack of long-term exposure and investor familiarity could potentially be a limiting factor in determining the FHCF's potential market access in the short run, especially for larger amounts and/or longer maturities.

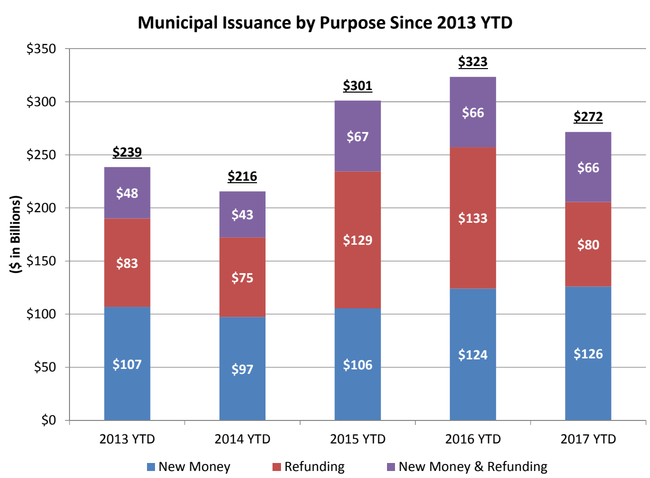
Analysis of potential market acceptance of large amounts of FHCF debt must include not only relevant historical references, but also an evaluation of current market conditions and cash flow needs. In this regard, conditions seem to be excellent in the tax-exempt and taxable municipal markets, as well as in the corporate market.

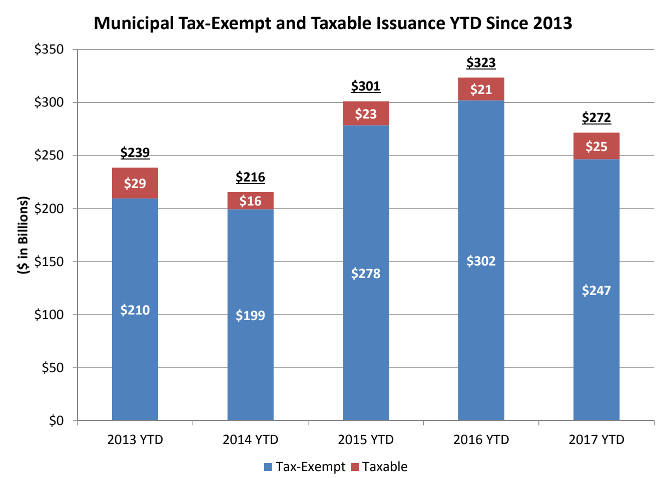


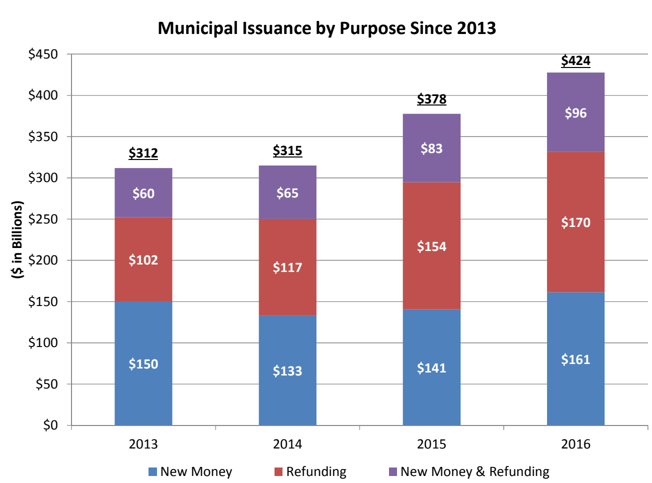
In 2016, corporate issuance of $1.54 trillion ($1.3 trillion investment grade, $237 billion high yield, and $21 billion convertible) surpassed the previous record issuance of $1.51 trillion ($1.2 trillion investment grade, $261 billion high yield, and $20 billion convertible) in 2015. Year-to-date 2017, corporate bond issuance is $1.29 trillion, or 2% higher than the $1.26 trillion issued over the same time period in 2016. The corporate bond market has topped $1 trillion each year since 2011 as interest rates have been consistently historically low.

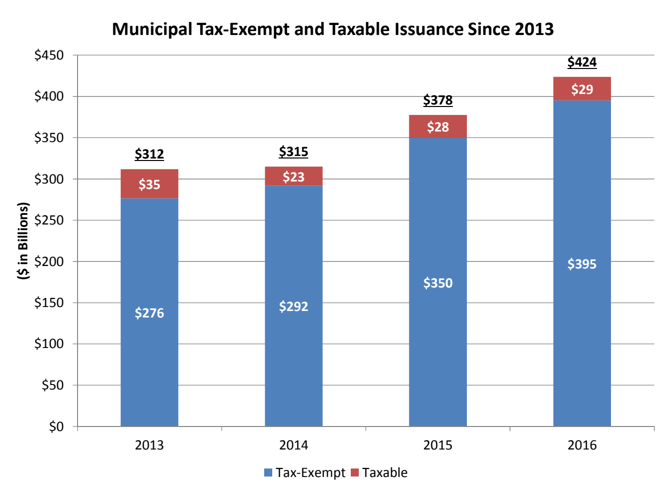
While corporate bond issuance has reached record levels since 2011, most issuances are for financial engineering rather than to build manufacturing plants or infrastructure to fund growth – i.e., more issuances are to fund mergers and acquisitions or stock buybacks, such as Apple's buyback and dividend program with over $90 billion issued since 2013, Microsoft issuing $20 billion in 2016 to help finance its $26 billion takeover of professional networking site LinkedIn, Anheuser-Busch InBev's $46 billion issuance to finance its purchase of SAB Miller in 2016, and Dell Inc.'s issuance of $20 billion of bonds to back its takeover of EMC Corp. in 2016. In 2017, the largest transaction to date was $22.5 billion from AT&T to help finance its $85 billion takeover of Time Warner, and was three times oversubscribed.

For 2016, municipal long-term issuance was 12% higher than 2015 with $424 billion of issuance. For year-to-date 2017, municipal long-term issuance is 10% lower than the same time period in 2016 with $272 billion of issuance. A majority of municipal issuance over the past few years has been issued for refundings to capitalize on low interest rates, which is evidenced by the amount of new money issuance for 2016 – $161 billion, or 38% of the total $424 billion of long-term issuance – versus eleven years ago – in 2006, $253 billion, or 66% of the total $382 billion of long-term issuance, was for new money projects.









Source: Thomson Financial for municipal long-term issuances from January 1, 2013 to September 30, 2017.

Increased issuance is encouraging for the FHCF, as it reflects strong investor demand in both the tax-exempt and taxable markets; however, global market conditions can be volatile after a large or multiple events. Nonetheless, the FHCF has multiple factors working in its favor independent of market trends, including, but not limited to: (1) the FHCF is a well-regarded, highly-rated credit (AA category), closely associated with (though not guaranteed by) the State of Florida, a blue-chip name in the market; (2) in February 2016, the FHCF successfully priced $1.2 billion of Series 2016A taxable pre-event bonds with 3 and 5-year maturities at a true interest cost of 2.52%, which re-established the strength of the FHCF credit in the taxable market; and (3) similar to its pre-event financings, any post-event bond issuances of the size the FHCF may need to undertake would also be included in the various benchmark indices market observers use to track market performance, so institutional money managers seeking to at least match indexed returns may have a strong additional incentive to buy FHCF bonds, particularly if they are offered at interest rates marginally higher than those typically associated with typical AA rated credits.

Estimating the FHCF's post-event bonding capacity is an inexact science. To do so requires a consideration of the factors above, an extrapolation about what market conditions might exist after hurricanes of various sizes, and an evaluation of the many subjective and substantive considerations surrounding these estimates and the uses thereof. Certainty is not a defining characteristic of an exercise like this; nor can the results be responsibly guaranteed. Nevertheless, with the proper experience, market perspective and analysis, one can make estimates suitable for the FHCF's requirements – conservative estimates, not guaranteed to be accurate, but responsibly determined using the best available sources.

One additional note of caution is that financial markets can be highly volatile and uncertain at various times. Such uncertainity may create an additional risk for participating insurers who rely on the FHCF for reimbursements. Although financial market conditions have significantly improved since the Great Recession of 2007 and are currently very conducive to favorable debt issuance, it is not possible to guarantee financial market conditions into the future for long-term sustainability of the FHCF. The FHCF's estimated claims-paying capacity above the available liquid resources is subjective and depends heavily on the opinions and our evaluation of its five senior managing underwriters' responses to our questions. As such, participating insurers should recognize the potential impact that financial markets can have on the FHCF's claims-paying ability for a subsequent season. The following pages provide current bonding and claims-paying capacity estimates.

IV. Bonding and Claims-Paying Capacity Estimates

The preliminary estimated bonding capacity of the FHCF for the current contract year is $7.9 billion

To estimate the FHCF's bonding capacity, we used the general process described in Section II and detailed in Appendix A. The specific wording of the capacity question we asked the FHCF's senior managing underwriters was as follows:

"Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 ***and*** *12-24 months at rates that are at or above the current "market" scale, as needed."*[2]

We considered all data, and based on cash flow requirement projections from Paragon Strategic Solutions Inc., the FHCF's consulting actuary, guidance from FHCF staff about potential payout timing, and a desire for prudence, as in the past we continue to use the capacity estimates for the first 12 months in formulating the bonding capacity estimate for the initial season.

In general, it would take a hurricane event resulting in ground-up losses exceeding $27.3 billion to exhaust the FHCF's cash balance, and the FHCF has projected liquid resources of $18.7 billion, or $1.7 billion above its potential maximum obligation of $17.0 billion, which includes $1.0 billion of the outstanding $2.7 billion of pre-event bonds and $1.0 billion of risk transfer. The FHCF has excess capacity and liquidity resources to meet its maximum potential obligations for the 2017-2018 season. Nonetheless, the amount of debt that the FHCF can raise within the first twelve months is helpful for the FHCF and participating insurers in protecting their financial solvency as well as for the FHCF to preserve its pre-event bond proceeds for a subsequent season.

We are also comfortable including estimates that contained some above-market interest rate capacity estimates in recognition of the fact that the FHCF has ample assessment capability within its statutory limits to issue bonds, even at significantly higher rates[3]. For purposes of calculating the potential assessment impact of the FHCF's bonding needs, we have calculated the assessment rate if the FHCF post-event bonds carry interest rates at current market levels as well as at an "above market" interest rate of 7%. There is also some overlap between tax-exempt and taxable capacity estimates as the investor base has changed and market acceptance has increased for municipal taxable bonds and the success of the Series 2013A and Series 2016A pre-event taxable financings, which will marginally reduce the capacity for tax-exempt debt. A summary of the senior managers' responses is shown in the following table:

[2] The complete information request and all responses are included in Appendix A.

[3] For example, a 30-year bond issue at a 7% interest rate sized to produce the maximum potential FHCF obligation ($1.0 billion), for the current contract year, assuming no pre-event bonds are used to pay claims and no pre-event bonds are refinanced would require an annual assessment of only 0.18%, well below the 6% statutory cap.

FHCF Post-Event Estimated Bonding Capacity						
	Bank of America / Merrill Lynch	Citi	J.P. Morgan	Morgan Stanley	Wells Fargo	Average [1]
Bonding Estimates						
Tax-Exempt:						
0-12 Months	$2-$3B	$3-$4B	$4-$5B	$3-$4B	$6-$8B	$4.2B
12-24 Months	$2-$3B	$3-$4B	$3-$4B	$3-$4B	$3-$5B	$3.4B
Total tax-exempt	*$4-$6B*	*$6-$8B*	*$7-$9B*	*$6-$8B*	*$9-$13B*	*$7.6B*
Taxable:						
0-12 Months	$4-$5B	$3-$4B	$2.5-$3.5B	$3.5-$4B	$3-$4B	$3.7B
12-24 Months	$4-$5B	$4-$5B	$2.5-$3.5B	$4-$4.5B	$2-$3B	$3.8B
Total taxable	*$8-$10B*	*$7-$9B*	*$5-$7B*	*$7.5-$8.5B*	*$5-$7B*	*$7.5B*
Tax-Exempt and Taxable						
0-12 Months Total	**$6-$8B**	**$6-$8B**	**$6.5-$8.5B**	**$6.5-$8.0B**	**$9-$12B**	**$7.9B**
12-24 Months Total	$6-$8B	$7-$9B	$5.5-$7.5B	$7.0-$8.5B	$5-$8B	$7.2B
0-24 Months Total	$12-$16B	$13-$17B	$12-$16B	$13.5-$16.5B	$14-$20B	$15.1B

[1] Averages are rounded to the nearest hundred million dollars

As discussed earlier, we believe that using only the 0-12 months number to compute an average is a prudent approach to estimating bonding capacity for the initial season. Using this methodology yields an estimated bonding capacity of approximately $7.9 billion and this capacity is significantly above what would be needed to meet the FHCF's potential obligations for the initial season if it were to leave its already issued pre-event bond proceeds outstanding, even if one conservatively expects that the FHCF payout after an event will need to occur within the first twelve months. However, when considering the larger picture of the FHCF's ability to pay additional claims for a subsequent season, the FHCF's bonding capacity beyond 0-12 months is also an important factor. Each of the senior managers believes that the FHCF would have significant additional capacity in the period 12-24 months after an event[4]. This additional capacity, could be used to fund approximately 66% of the amount potentially needed for the 2018-2019 contract year or subsequent season losses, in the approximate amounts as shown on the following pages.

Estimated Claims-Paying Capacity

Claims-paying capacity of the FHCF is equal to the sum of the projected year-end fund balance plus the available Series 2013A and Series 2016A pre-event bonds ($2.7 billion is available for the 2017-2018 contract year), risk transfer ($1 billion for the 2017-2018 contract year), any other financing resources available, and the estimated bonding capacity. The FHCF projects that its year-end fund balance for the 2017-2018 contract year is $15.0 billion including the projected loss estimate of $5.1 billion for Hurricane Irma, as calculated by its administrator, Paragon. For the 2017-2018 contract year, based on these funding sources available and estimated bonding capacity of $7.9 billion, the FHCF has a total estimated claims-paying capacity of $26.6 billion, which is $9.6 billion above its statutory limit of $17.0 billion. However, after adjusting for Hurricane Irma loss estimates of $5.1 billion, the FHCF has a total estimated remaining claims-paying capacity of $21.5 billion, which is still $9.6 billion above the remaining statutory

[4] The longer the time frame for estimation purposes, the greater the degree of uncertainty.

Florida Hurricane Catastrophe Fund

RAYMOND JAMES

limit of $11.9 billion, or maximum statutory limit of $17 billion minus $5.1 billion of Hurricane Irma loss estimate.

After an event, the FHCF has the option to draw on its pre-event bond proceeds and repay the pre-event bonds at maturity by levying an emergency assessment, or the FHCF could issue post-event bonds and leave its pre-event bond proceeds outstanding for a subsequent season. These two options give the FHCF flexibility regarding the use of its pre-event bond proceeds after an event. For purposes of this analysis, we have shown the FHCF's claims-paying capacity for the initial and subsequent season assuming the FHCF will leave the pre-event bond proceeds outstanding to provide liquidity for the subsequent season and issue post-event bonds to fund its obligations above the year-end cash balance for the initial season. Preserving its pre-event bond proceeds for the subsequent season allows the FHCF to take advantage of its sufficient available bonding capacity for the initial season while providing the liquidity, flexibility and additional stability of funding sources for the subsequent season. The subsequent season may have some remaining additional bonding capacity from the initial season in the amount of $6.9 billion, but for purposes of this analysis we assume the available initial season bonding capacity in the amount of $7.9 billion is also available for the subsequent or 2018-2019 contract year. For any remaining losses beyond the FHCF's estimated claims-paying capacity for the 2018-2019 season, the FHCF may have additional 12-24 month bonding capacity of up to $7.2 billion available.

Under this scenario, if an additional event happens, we assume that the FHCF would leave its pre-event bond proceeds outstanding and issue $1.0 billion of post-event bonds to fund its maximum potential obligation for the 2017-2018 contract year. For the 2018-2019 contract year, the FHCF can then use its bonding capacity of $7.9 billion, its $2.2 billion of Series 2013A and Series 2016A pre-event bond proceeds ($500 million of Series 2013A bonds mature on July 1, 2018 and are therefore not available to pay claims for the 2018-2019 contract year), and the $1.1 billion of reimbursement premiums projected to be accumulated during the subsequent season for a total estimated claims-paying capacity of $11.2 billion, or approximately 66% of its potential maximum statutory obligation of $17 billion for the 2018-2019 season. Under this scenario, the FHCF would need only an additional $5.8 billion in funding sources in order to reach its maximum statutory obligation of $17 billion for the 2018-2019 contract year.

($ in Billions)		2017-2018 Contract Year	2018-2019 Contract Year
FHCF Potential Coverage Obligation			
FHCF Coverage Obligation	(A)	$17.0	$17.0
2017 Irma Loss Estimates[1] (-)	(B)	$5.1	$0.0
FHCF Remaining Coverage Obligation	**(A - B) = (C)**	**$11.9**	**$17.0**
FHCF Estimated Funding Sources Available			
Projected FHCF Year-End Fund Balance	(D)	$15.0	$1.1
2017 Irma Loss Estimates[1] (-)	(E)	$5.1	$0.0
Projected Remaining FHCF Year-End Fund Balance	**(D - E) = (F)**	**$9.9**	**$1.1**
Risk Transfer	(G)	$1.0	$0.0
2013A and 2016A Pre-Event Bond Proceeds Available[2]	(H)	$2.7	$2.2
Total Remaining Funding Sources Available after Irma Loss Estimates	**(F + G + H) = (I)**	**$13.6**	**$3.3**
Additional Funds / Potential Borrowing Need	**(I - C) = (J)**	**$1.7**	**$13.7**
FHCF Claims-Paying Capacity			
Estimated FHCF Borrowing Capacity	(K)	$7.9	$7.9
Total Funding Sources Available after Irma Loss Estimates[1]	(I)	$13.6	$3.3
Total Estimated Remaining Claims-Paying Capacity after Irma Loss Estimates	**(K + I) = (L)**	**$21.5**	**$11.2**
Total Estimated Remaining Claims-Paying Capacity as a % of Remaining Coverage Obligation after Irma Loss Estimates	**(L / C) = (M)**	**180%**	**66%**
Amount Above / (Below) Remaining Coverage Obligation after Irma Loss Estimates (L - C) = (N)		**$9.6**	**($5.8)**

Totals may not add due to rounding.

[1] Paragon Strategic Solutions, the FHCF's consulting actuary, has projected the range of FHCF losses from Hurricane Irma to be between $3-$6 billion with a conservative point estimate of $5.1 billion.

[2] Pre-event bonds are available in the amount of $2.7 billion but we are assuming no pre-event bonds will be used to pay claims for the 2017-2018 contract year and therefore will be available to pay claims for the 2018-2019 contract year in the amount of $2.2 billion as $500 million matures on July 1, 2018 and will not be available to pay claims for the 2018-2019 contract year. However, post-event bonds will be issued, if needed, in the amount of up to $1.0 billion to meet the potential statutory obligation for the 2017-2018 contract year.

Under this scenario, the breakdown of the potential assessments required for the FHCF's potential borrowing needs and repayment of pre-event bond proceeds are shown in the table below based on current market interest rates and an "above market" interest rate of 7% over a 30-year period, for informational purposes only. As seen in the table below, even with an "above market" rate of 7%, the FHCF has significant remaining assessment capabilities within its 6% statutory cap.

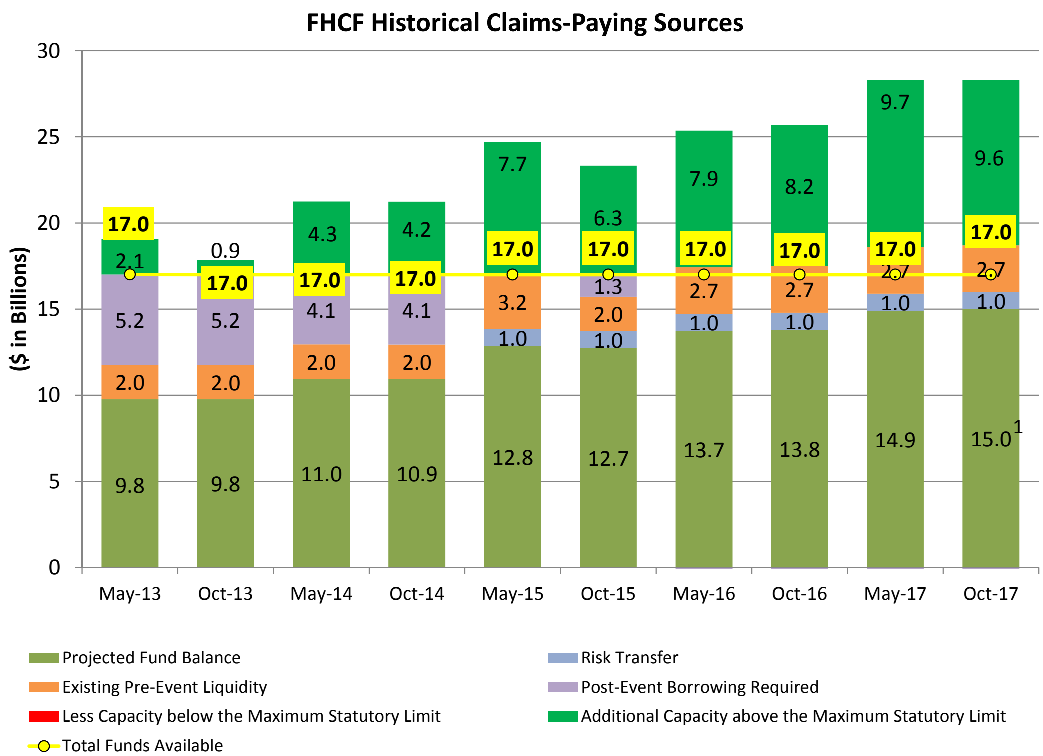
($ in Billions)	2017-2018 Contract Year	2018-2019 Contract Year*
Total Potential Borrowing (Assuming Repayment of Pre-Event Bonds Used in the 2018-2019 Contract Year)	**$1.0**	**$10.1**
Assessment % if Financed at Current Market Rates	**0.15%**	**N/A**
Assessment % if Financed at "Above Market" Rate of 7%	**0.18%**	**1.84%**

**For the 2018-2019 Contract Year, the FHCF is projecting a claims-paying capacity of $11.2 billion, or 66% of its statutory limit, which includes $7.9 billion of bonding capacity and $2.2 billion of available pre-event bonds for a total borrowing amount of $10.1 billion. The remaining $5.8 billion to meet the maximum statutory limit can be potentially funded in the 12-24 month period and will need an additional assessment of 1.06%.*

Historical Perspective on Estimated Claims-Paying Capacity

The estimated claims-paying capacity of the FHCF over time is subject to changes in the projected fund balance, risk transfer amount, available pre-event liquidity, and estimates of bonding capacity. While the projected fund balance climbed steadily from 2006 to 2016 without a major hurricane that triggered the FHCF, the $5.1 billion Hurricane Irma loss estimate will reduce the FHCF's projected fund balance to approximately $9.9 billion. During this time the senior managers' estimates of the FHCF's bonding capacity have stabilized, but have significantly varied during that time period, reflecting both the big picture fundamental changes to the market described in Section III and the impact of market volatility at the time we asked them for estimates. The current average estimate for 0-12 months of $7.9 billion is $200 million lower than it was in May 2017 and $200 million higher than it was in October 2016.

The chart below shows the total estimated initial season claims-paying capacity of the FHCF since May 2013 with projected fund balance (**light green**), existing pre-event notes (**orange**), $1 billion of risk transfer for the 2015-2016, 2016-2017 and 2017-2018 contract years (**light blue**), estimated post-event borrowing capacity (**light purple**), if needed, and total funds available (**yellow**) with capacity above (**dark green**) and/or capacity below (**red**) the maximum statutory limit.



Numbers may not add due to rounding.

[1] *For October 2017, Paragon Strategic Solutions, the FHCF's consulting actuary, has projected the range of FHCF losses from Hurricane Irma to be between $3-$6 billion and has included a conservative point estimate of $5.1 billion.*

For the 2015-2016 contract year, the reinsurance placement was for $1 billion in excess of $12.5 billion of FHCF layer losses. For the 2016-2017 and 2017-2018 contract years, the reinsurance placement was for $1 billion in excess of $11.5 billion of FHCF layer losses. The 2017-2018 risk transfer placement was completed after the finalization of the May 2017 Bonding Capacity Report.

The chart on the previous page reflects the history of the FHCF's claims-paying capacity estimates. The outstanding pre-event notes, risk transfer, and the projected fund balance are reliable amounts since they are known prior to an event, but the post-event bonding capacity can vary depending on financial market conditions after a hurricane event, as denoted by the purple portion of the bars above. Despite having liquidity resources above its potential maximum obligation, it is still important that the FHCF's claims-paying capacity estimates be reasonable and prudent in order to minimize financial risk for participating insurers for subsequent seasons and long-term sustainability.

Even though the range has narrowed and stabilized, it is interesting to compare the range of the estimates during this time period, which is indicative of the level of uncertainty and variability among the team of senior managers with regard to the FHCF's bonding capacity. The table below shows the aggregate ranges for each estimate since May 2013.

Post-Event Estimated Bonding Capacity Over 12 Months (Senior Managers' Range)											
($ in Billions)	**May-13**	**Oct-13**	**May-14**	**Oct-14**	**May-15**	**Oct-15**	**May-16**	**Oct-16**	**May-17**	**Oct-17**	**Oct. 2017 - May 2017 Change**
Overall Range	$3.5-$9.8	$4.5-$7.5	$5.5-$14	$5.5-$14	$5-$12	$4.5-$12	$4.5-$12	$5.5-$12	$5-$12	**$6-$12**	

The wide range of estimates shown in the table reflects the fundamental underlying uncertainty of the markets and the bonding capacity estimating process for the FHCF. We believe the process of using a survey of the opinions of the best experts with the most relevant experience, and employing a prudent approach to pick among several potential estimates of capacity, provides a reasonable estimate that suits the purposes of the FHCF and the needs of its participating insurers. Due to the continued increase in the remaining projected fund balance even after adjusting for the projected $5.1 billion Hurricane Irma loss estimate, and with the available 2016A pre-event financing, as well as improved market conditions, the FHCF is able to fund the initial season with additional capacity for the subsequent season. However, it still does not provide a guaranteed source of liquidity or claims-paying capacity for subsequent seasons, and the actual bonding results achieved by the FHCF after a hurricane could vary substantially from this estimate for subsequent seasons. The FHCF has $18.7 billion of liquidity, or 110% of its potential maximum statutory obligation of $17 billion for the initial season, including the projected $5.1 billion loss estimate from Hurricane Irma. The FHCF has projected potential claims-paying capacity of $11.2 billion, or up to approximately 66% of its maximum statutory obligation of $17 billion for the subsequent season.

Disclaimer

The analysis or information presented herein is based upon projections and have limitations. No representation is made that any results indicated will be achieved. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change.

Appendix A – Bonding Capacity Solicitation & Senior Manager Responses

From: Sasha Stipanovich
Sent: Thursday, October 05, 2017 9:24 AM
Cc: Kapil Bhatia
Subject: FHCF Bonding Capacity Analysis

FHCF Senior Manager Team:

We need your input in preparation for presenting the FHCF's statutorily required semiannual bonding capacity estimate at the FHCF Advisory Council Meeting scheduled for October 26th.

We would like to know your opinion of the FHCF's tax-exempt and taxable bonding capacity over a 0-12 month and 12-24 month period*. *We are still comfortable including estimates that contain some above-market interest rate capacity estimates in recognition of the fact that the FHCF has ample assessment capability within its statutory limits to issue bonds, even at above market rates, if needed. We use an above-market estimate of 7%, which is several hundred basis points above the FHCF's expected current market rates in order to add more conservatism to the analysis.

In order to prepare the FHCF Bonding Capacity Report for October 2017, we need the following data elements from you by Thursday, October 12th:

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with 5.0% coupons throughout when writing the scale. Base the scale on an uninsured financing given the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with par-ish coupons throughout when writing the scale. Again, base the scale on an uninsured financing given again the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 **and** 12-24 months at rates that are at or above the current "market" scale, as needed. In addition, please include and describe briefly in your response if there is any overlap in tax-exempt / taxable capacity.

FHCF Post-Event Market Capacity			
Time Period	**Tax-Exempt**	**Taxable**	**Total**
0-12 Months			
12-24 Months			

We would like to have to your responses back by Thursday, October 12th. Additionally, we would like a representative from your firm (banker and/or underwriter) to be present at the meeting either via phone or in-person to answer any questions. If you have any questions or comments, please call or e-mail Kapil Bhatia (727-567-1791, kapil.bhatia@raymondjames.com) or Sasha Stipanovich (727-567-1790, sasha.stipanovich@raymondjames.com).

Memorandum

To: Florida Hurricane Catastrophe Fund

From: Bank of America Merrill Lynch

Date: October 12, 2017

Subject: Florida Hurricane Catastrophe Fund – October 2017 Bonding Capacity Analysis

Bank of America Merrill Lynch ("BofAML") is pleased to provide the Florida Hurricane Catastrophe Fund ("FHCF") with our firm's estimates and views of the FHCF's post-event bonding capacity and current market borrowing costs.

Market Commentary

In its September meeting, the Federal Reserve left the federal funds rate unchanged at 1.25% and signaled that there would likely be a third rate increase to 1.50% in 2017 at its December meeting. The Fed remains on track to raise federal funds rate three times in 2018, but it decreased the number rate hikes in 2019 to two instead of three. It also announced that in October it would begin an unwinding of its quantitative easing program put in place in the wake of the 2008 financial crisis. The Federal Reserve will begin selling about $10 billion of its holdings per month and increasing the pace by about $10 billion per quarter until it reaches $50 billion per year. While the market has been fairly stable as the Fed has embarked on its unwinding program, it is too early to tell whether longer term interest rates have yet been impacted by tightening financial conditions. The continued strengthening economy, low unemployment and continued growth in household and business spending has set the stage for the Fed's rate increase in December. The Fed continues to not achieve its 2% annual inflation target on a sustained basis, causing increased worry about future planned rate hikes. The Fed believes the economy will grow at approximately 2% per year for the next few years and it also did not think the effects of Hurricanes Harvey, Irma and Maria would have material effects on the broader economy in the medium term.

Municipal-focused bond funds saw outflows for the first time in July, losing $140 million this past week, after 11 consecutive weeks of inflows. Since our last bonding capacity analysis presented in the May meeting, yields on the longer end of the curve (10+ years) have decreased 11-23 basis points, or an average of 18 basis points. Within 10 years, rates have increased in the first two years by 8 and 2 basis points, respectively, but have fallen between 2-12 basis points since our last update, or about 4 basis points on average. The movements in the short- and long-end of the yield curve have flattened the yield curve, reversing the steepening trend seen throughout late 2016 and into early 2017. New issue supply in the municipal market thus far in 2017 has averaged approximately $7.0 billion per week, down by 18% when compared to the same period last year. We do not expect a significant uptick in issuance that would adversely affect municipal performance in the near-term.

As we have stated in the past, despite the market dynamics in play in the current environment, a transaction or series of transactions by the FHCF and possibly other insurance-related entities in the State of Florida (Citizens, FIGA) after a hurricane event has been generally untested and may significantly impact market dynamics for a specific transaction. In the pages that follow, we provide BofAML's estimate of the FHCF's current borrowing costs, as well as our view on the FHCF's unconstrained issuance capacity in the current market. If you have any questions, please contact the BofAML team.

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Thursday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with 5.0% coupons throughout when writing the scale. Base the scale on an uninsured financing given the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

Below, we have provided a 30-year tax-exempt scale reflecting our view of the FHCF's estimated current market borrowing costs based on an uninsured financing, Aa3/AA/AA- ratings from Moody's, S&P and Fitch, respectively, and no capacity constraints.

Florida Hurricane Catastrophe Fund Tax-Exempt Scale				
Maturity (July 1)	Coupon	MMD (10/6/17)	Spread (bps)	Yield
2018	5.00%	0.94%	15	1.09%
2019	5.00%	1.00%	20	1.20%
2020	5.00%	1.09%	25	1.34%
2021	5.00%	1.20%	30	1.50%
2022	5.00%	1.37%	35	1.72%
2023	5.00%	1.50%	40	1.90%
2024	5.00%	1.64%	45	2.09%
2025	5.00%	1.79%	50	2.29%
2026	5.00%	1.92%	55	2.47%
2027	5.00%	2.02%	60	2.62%
2028	5.00%	2.11%	65	2.76%
2029	5.00%	2.19%	70	2.89%
2030	5.00%	2.25%	75	3.00%
2031	5.00%	2.32%	75	3.07%
2032	5.00%	2.39%	75	3.14%
2033	5.00%	2.45%	75	3.20%
2034	5.00%	2.51%	75	3.26%
2035	5.00%	2.56%	75	3.31%
2036	5.00%	2.60%	75	3.35%
2037	5.00%	2.64%	75	3.39%
2038	5.00%	-	-	-
2039	5.00%	-	-	-
2040	5.00%	-	-	-
2041	5.00%	-	-	-
2042	5.00%	2.77%	75	3.52%
2043	5.00%	-	-	-
2044	5.00%	-	-	-
2045	5.00%	-	-	-
2046	5.00%	-	-	-
2047	5.00%	3.83%	75	3.58%

Bank of America Merrill Lynch

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Thursday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with par-ish coupons throughout when writing the scale. Again, base the scale on an uninsured financing given again the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

Below, we have provided a 30-year taxable scale reflecting our view of the FHCF's estimated current market borrowing costs based on an uninsured financing, Aa3/AA/AA- ratings from Moody's, S&P and Fitch, respectively, and no capacity constraints.

Florida Hurricane Catastrophe Fund
Taxable Scale

Maturity (July 1)	Coupon	UST Term	UST (10/6/17)	Spread (bps)	Yield
2018	2.070%	1Y	1.32%	75	2.070%
2019	2.260%	2Y	1.51%	75	2.260%
2020	2.500%	3Y	1.65%	85	2.500%
2021	2.710%	5Y	1.96%	75	2.710%
2022	2.960%	5Y	1.96%	100	2.960%
2023	3.100%	7Y	2.20%	190	3.100%
2024	3.350%	7Y	2.20%	115	3.350%
2025	3.470%	10Y	2.37%	110	3.470%
2026	3.570%	10Y	2.37%	120	3.570%
2027	3.670%	10Y	2.37%	130	3.670%
2028	3.770%	10Y	2.37%	140	3.770%
2029	3.820%	10Y	2.37%	145	3.820%
2030	3.870%	10Y	2.37%	150	3.870%
2031	3.920%	10Y	2.37%	155	3.920%
2032	3.970%	10Y	2.37%	160	3.970%
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	4.400%	30Y	2.90%	150	4.400%
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
2047	4.600%	30Y	2.90%	170	4.600%

3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 **and** 12-24 months at rates that are at or above the current "market" scale, as needed. In addition, please include and describe briefly in your response if there is any overlap in tax-exempt / taxable capacity.

In the table below, we have provided our current tax-exempt and taxable "unconstrained" FHCF capacity estimates. We believe that sufficient demand exists at these capacity levels to complete a transaction of the sizes provided below and the risk of cross-market cannibalization is low.

Florida Hurricane Catastrophe Fund
Post-Event Market Capacity (BN)

Time Period	Tax-Exempt	Taxable	Total
0-12 Months	$2.0-3.0	$4.0-5.0	$6.0-8.0
12-24 Months	$2.0-3.0	$4.0-5.0	$6.0-8.0
0-24 Months	**$4.0-6.0**	**$8.0-10.0**	**$12.0-16.0**

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We do not provide legal, compliance, tax or accounting advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by us to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or, except to the extent relating to such tax structure or tax treatment, any nonpublic commercial or financial information) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply.

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Memorandum

To: Florida Hurricane Catastrophe Fund

From: Citigroup Global Markets Inc. (“Citi”)

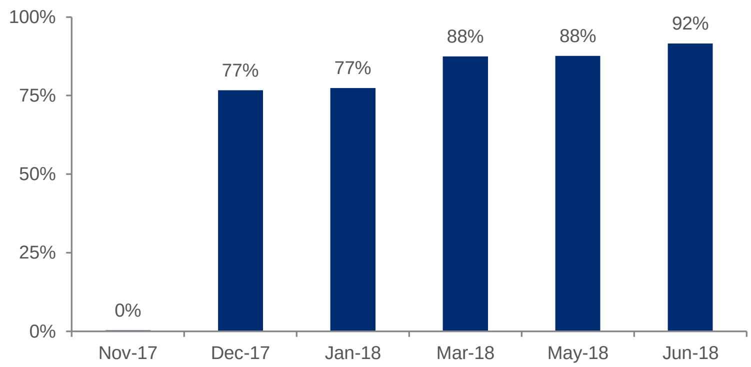
Date: October 12, 2017

Re: FHCF October 2017 Capacity Analysis

Citigroup is pleased to provide the Florida Hurricane Catastrophe Fund (the “FHCF”) with an updated estimated post-event bond capacity analysis.

Expectations of Next Fed Increase in Rates

The market is currently pricing in a 77% probability of one more rate hikes by the end of 2017; an upward move from last week’s expectation of 70%



Although the U.S. Economy remains healthy amidst a backdrop of positive economic fundamentals, recent market developments have included lighter supply, spread tightening and uneven investor demand. For the better part of the past 10 months, the market has been hyper-responsive to headlines surrounding the Trump administration and the US political landscape, leading to ongoing volatility despite expectations of economic expansion. Most recently, potentially high risk has been introduced to the market by the looming start to the Fed’s unwinding of its $4.5 trillion bond portfolio. Beginning this month, the Fed will end its practice of fully reinvesting the principal payments of maturing into new bonds and instead allow $10 billion in holdings to roll off without reinvestment every month. Those amounts will increase by $10 billion each quarter to a maximum of $50 billion. Although this plan has been signaled for months and has not had a negative impact on the market just yet, this paired with the potential for more rate hikes could send shockwaves through the market. If inflation does not pick up and ultimately reach the Fed’s target of 2%, any action by the Fed in the December meeting could result in a continual decline in inflation, which is down approximately 50 basis points from the beginning of the year. However, Fed chair Janet Yellen said it would be imprudent to keep monetary policy on hold until inflation reaches the Fed’s 2% core personal consumption expenditures target, making a December rate hike more likely.

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, October 6th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with 5.0% coupons throughout when writing the scale. Base the scale on an uninsured financing given the FHCF’s current underlying ratings of Aa3/AA/AA (Moody’s / S&P / Fitch).

Tax-Exempt Scale

Year	Oct 6 MMD	MMD Spread	Coupon	Base Yield
2018	0.94%	20	5.00%	1.14%
2019	1.00%	30	5.00%	1.30%
2020	1.09%	35	5.00%	1.44%
2021	1.20%	40	5.00%	1.60%
2022	1.37%	43	5.00%	1.80%
2023	1.50%	48	5.00%	1.98%
2024	1.64%	52	5.00%	2.16%
2025	1.79%	53	5.00%	2.32%
2026	1.92%	55	5.00%	2.47%
2027	2.02%	60	5.00%	2.62%
2028	2.11%	62	5.00%	2.73%
2029	2.19%	65	5.00%	2.84%
2030	2.25%	65	5.00%	2.90%
2031	2.32%	65	5.00%	2.97%
2032	2.39%	65	5.00%	3.04%
2033	2.45%	65	5.00%	3.10%
2034	2.51%	65	5.00%	3.16%
2035	2.56%	65	5.00%	3.21%
2036	2.60%	65	5.00%	3.25%
2037	2.64%	65	5.00%	3.29%
2038	2.68%			
2039	2.71%			
2040	2.73%			
2041	2.75%			
2042	2.77%	65	5.00%	3.42%
2043	2.79%			
2044	2.80%			
2045	2.81%			
2046	2.82%			
2047	2.83%	65	5.00%	3.48%

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with par-ish coupons throughout when writing the scale. Again, base the scale on an uninsured financing given again the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

Taxable Scale

Year	Oct 6 TSY	TSY Spread	Coupon	Yield
2018	1.54%	40	1.94%	1.94%
2019	1.54%	50	2.04%	2.04%
2020	1.66%	60	2.26%	2.26%
2021	1.97%	50	2.47%	2.47%
2022	1.97%	70	2.67%	2.67%
2023	2.20%	70	2.90%	2.90%
2024	2.20%	90	3.10%	3.10%
2025	2.37%	90	3.27%	3.27%
2026	2.37%	100	3.37%	3.37%
2027	2.37%	110	3.47%	3.47%
2028	2.37%	120	3.57%	3.57%
2029	2.37%	130	3.67%	3.67%
2030	2.37%	140	3.77%	3.77%
2031	2.37%	150	3.87%	3.87%
2032	2.37%	160	3.97%	3.97%
2033	2.91%			
2034	2.91%			
2035	2.91%			
2036	2.91%			
2037	2.91%	120	4.11%	4.11%
2038	2.91%			
2039	2.91%			
2040	2.91%			
2041	2.91%			
2042	2.91%			
2043	2.91%			
2044	2.91%			
2045	2.91%			
2046	2.91%			
2047	2.91%	130	4.21%	4.21%

3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 and 12-24 months at rates that are at or above the current "market" scale, as needed. In addition, please include and describe briefly in your response if there is any overlap in tax-exempt / taxable capacity.

FHCF Post-Event Market Capacity

Time Period	Tax-Exempt	Taxable	Total
0-12 Months	$3.0-4.0 bn	$3.0-4.0	$6.0-8.0
12-24 Months	$3.0-4.0 bn	$4.0-5.0	$7.0-9.0
Total	**$6.0-8.0 bn**	**$7.0-9.0**	**$13.0-17.0**

Our capacity numbers assume no overlap between the tax-exempt and taxable sectors.

J.P.Morgan

To:	Florida Hurricane Catastrophe Fund
From:	J.P. Morgan
Date:	October 12, 2017
Subject:	FHCF Estimated Bonding Capacity and Pricing

Please find below J.P. Morgan's estimate of the Florida Hurricane Catastrophe Fund's ("FHCF") potential bonding capacity over the next 0-12 and 12-24 months, based on current market conditions. In addition, we have provided indicative pricing for tax-exempt and taxable offerings, as requested.

Market Update and Recent Developments[1]

Recent Storm Activity. Since our last estimate, our State, Country, and many parts of the world, along with the P&C industry have endured three of the most powerful and damaging storms in recorded history, with Harvey (formed 8/17, dissipated 9/3), Irma (formed 8/30, dissipated 9/16) and Maria (formed 9/16, dissipated 10/3). These storms, with estimated insured losses approaching or exceeding $100 billion, had the potential to impact investor demand and required yields for the FHCF's bonds due to a variety of factors, including: (1) perception of the P&C industry and its stability, in Florida, nationally and globally; (2) evaluation of the credit strength of the State of Florida, the state economy and the FHCF assessment base, among others; and (3) demand for bonds from certain investor segments specifically – such as by the P&C insurers, which JPM recently estimated as the 4th largest group of municipal bond holders at approximately 9% of industry holdings, per JPM's research including Federal Reserve Holding Analysis (though P & C's have not historically been major FHCF investors).

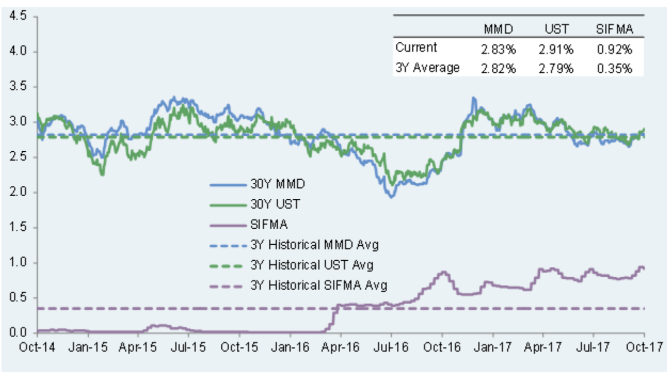
Our recent observations (which are part of the basis for the enclosed estimates) indicate *no notable impact* to the FHCF's estimated bonding capacity or borrowing yields from these storms. Anecdotally, prior to and following Irma's landfall, some investors reached out to our Investor Marketing and Credit Analysis group with questions regarding security, flow of funds, etc., but none conveyed concerns that would lead them to exit investment in FHCF, nor did we observe any unusual trading activity following the storm, which may have been an indicator. Any changes in these indicative scales versus our prior estimates are primarily driven by general market trends and movements, not by specific impacts from these storms.

Our firm has performed extensive research regarding the impact of the storms on publicly traded P&C insurance companies and on the municipal market and we will send relevant pieces to Ms. Bert and Raymond James. As always, we welcome any opportunity to be of service or to be a resource to you.

Municipal Market Developments. As 3Q17 drew to a close, UST yields continued to drift upwards, aided by the release of a blueprint for tax reform and comments from Chair Yellen that recent softness in inflation might not preclude more hikes in the near future. The release of the tax proposal on Wednesday, September 27th led 30-year UST yields to their largest one-day gain since May. Last week, Treasury yields continued to claw their way higher, motivated by the tax reform discussions earlier in the week, and employment data on Friday. Over the week, MMD yields rose by 2bps in the 5-year and 10-year spots, and declined by 1bp in the 30-year spot. Additionally, combined monthly and weekly municipal mutual funds registered their 12th consecutive week of inflows ($1.7 billion), increasing aggregate inflows to $14.8 billion YTD. As shown in the charts below, despite recent increases, long-term tax-exempt and taxable rates remain relatively low compared to historical averages.

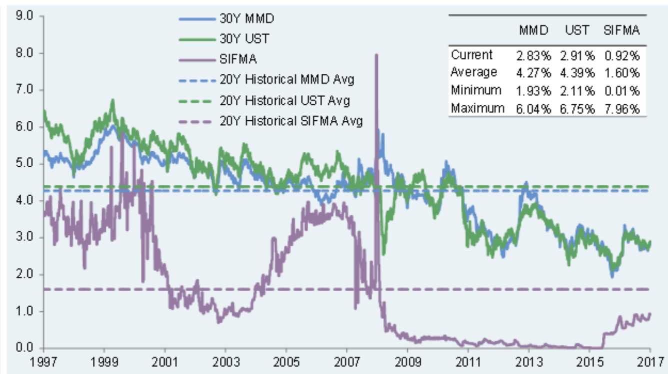
[1] J.P. Morgan Research, *US Fixed Income Markets Weekly*, 9/29/2017; www.jpmm.com
[1] J.P. Morgan Research, *US Fixed Income Overview*, 10/06/2017; www.jpmm.com

3Y Historical 30Y MMD, 30Y UST and SIFMA (%)



Source: J.P. Morgan, as of 10/6/2017

20Y Historical 30Y MMD, 30Y UST and SIFMA (%)



Source: J.P. Morgan, as of 10/6/2017

The last week of September brought a lot of news, including a range of data reports, a speech from Fed Chair Yellen, and the release of a blueprint for tax reform. The data flow was mixed, but with favorable news on net, J.P. Morgan Research raised its 3Q real GDP growth forecast from 2.25% to 2.5% seasonally adjusted annual rate. This revision was tied mainly to the inventory data, as many of the related reports have been strong lately. Jobs contracted in September, but cutting through the hurricane-related distortions, it appears the national labor market most likely remained quite healthy.

On the policy front, Chair Yellen reinforced a gradual pace of hikes but also indicated that it would be imprudent to refrain from tightening until inflation reached the FOMC's target of 2%. J.P. Morgan Research remains comfortable with its forecast that the Fed will raise rates in December and continue hiking gradually. Our Research Team expects a tighter labor market and weaker dollar to keep upward pressure on inflation, and shares Yellen's view that some of the earlier weakness in the inflation data reflected temporary factors.

Markets are also focused on the Fed Chair succession. While it is still possible Yellen could be reappointed next year, focus has shifted to current Governor Jerome Powell and former Governor Kevin Warsh. Media reports suggest former Governor Warsh is a leading candidate and he is perceived to be somewhat more hawkish than Yellen. If this narrative persists, Treasury yields could rise further.

JPM U.S. Treasury Interest Rate Forecast (%)

	10/6/17	10/29/17	12/31/17	3/31/18	6/30/18	9/30/18
	Current	1m ahead Forecast	4Q17 Forecast	1Q18 Forecast	2Q18 Forecast	3Q18 Forecast
Fed Funds	1.16%	1.15%	1.40%	1.40%	1.65%	1.90%
3M LIBOR	1.35%	1.30%	1.55%	1.55%	1.80%	2.05%
2Y UST	1.51%	1.50%	1.60%	1.75%	1.90%	2.10%
5Y UST	1.97%	1.95%	2.00%	2.10%	2.20%	2.35%
10Y UST	2.37%	2.35%	2.40%	2.45%	2.50%	2.55%
30Y UST	2.91%	2.85%	2.95%	2.95%	2.95%	2.95%

Source: J.P. Morgan Research, *US Fixed Income Markets Weekly*, 9/29/2017, jpmm.com; Rates as of 10/6/2017

JPM Tax-Exempt Yield Forecast (%)

	10/6/17	10/29/17	12/31/17	3/31/18	6/30/18
AAA MMD	Current	1m ahead Forecast	4Q17 Forecast	1Q18 Forecast	2Q18 Forecast
2Y	1.00%	1.00%	1.10%	1.30%	1.45%
5Y	1.37%	1.40%	1.40%	1.60%	1.65%
10Y	2.02%	2.05%	2.10%	2.35%	2.35%
30Y	2.83%	2.90%	2.90%	3.00%	2.95%
10Y MMD/ UST Ratio	**85.37%**	87.23%	87.50%	95.92%	94.00%
30Y MMD/ UST Ratio	**97.41%**	101.75%	98.31%	101.69%	100.00%

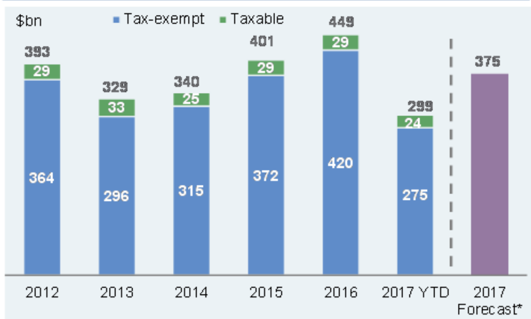
Source: Thomson Reuters Municipal Market Data; J.P. Morgan Research, *US Fixed Income Markets Weekly – Municipals*, 9/29/2017, jpmm.com; Rates as of 10/6/2017

One other major consideration to monitor is the return of Tax Reform as a major initiative being advanced by Congress and the President. The recommendations for tax reform released by a group of Republican leaders will likely be a starting point for upcoming negotiations, and we could see an impact on investor demand for tax-exempt bonds, depending on the final agreement.

Lastly, on Friday, October 6th, Treasury released the second in a series of reports in response to President Trump's Executive Order on Core Principles for Regulating the United States Financial System from February 3, 2017. While the first was focused on banking regulations, the second is focused on capital markets regulations that the Secretary believes are inconsistent with the core principles as set out in the executive order. Overall, while changes to data availability would be important for market monitoring, recommendations around adjustments to bank regulations would likely have the most significant impact on Treasury markets.

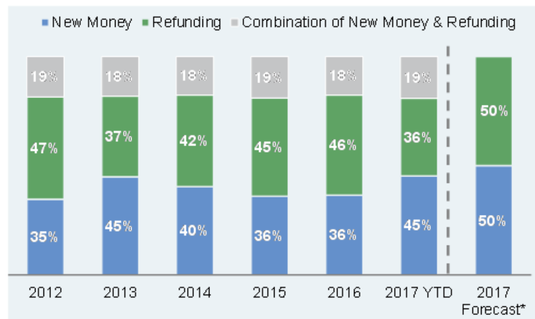
The size of the municipal market achieved a new high in 2Q17 ($3.84 trillion), an increase of approximately 6% since its near term trough in 3Q14. J.P. Morgan Research believes the increase in market size is likely driven by the sizable drop in refundings in 2017. The largest increase in the size of municipal bond holdings over this time has been at US Banks, growing by $333bn, or 149%. Total municipal holdings at US banks now stand at $557bn or 15% of the market.

2017 municipal issuance is expected to be $375 billion



Source: Bloomberg; as of 10/6/2017
*J.P. Morgan Research, Forecast as of 6/9/2017, includes private placements

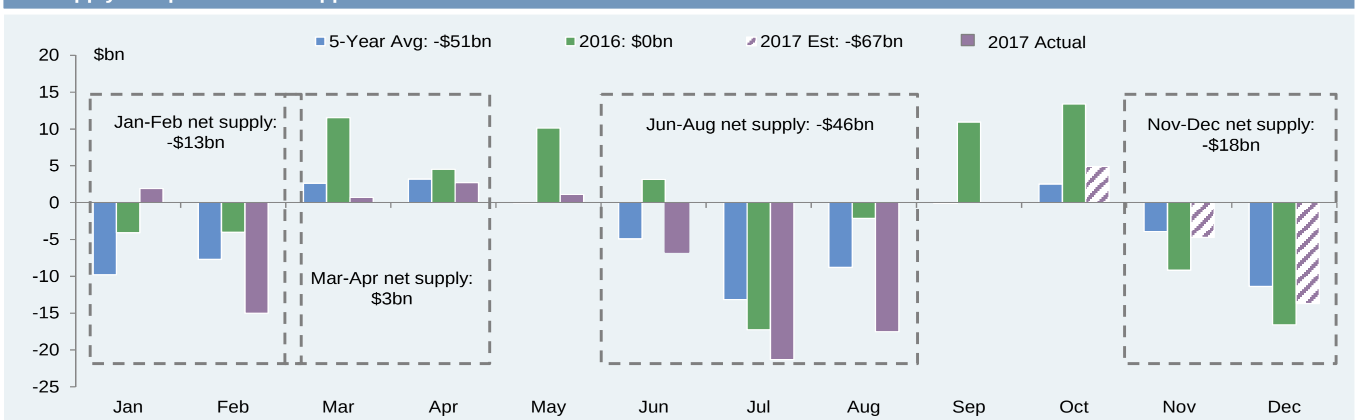
New money has driven 2017 supply



Source: Bloomberg; as of 10/6/2017, includes private placements
*J.P. Morgan Research, Forecast as of 6/9/2017, includes private placements

Negative net supply from November to December is expected to be -$18 billion, in line with net supply experienced during the same period in 2016. Negative net supply indicates there is more capital seeking investments than bonds available which may have a positive impact on new offerings as investor demand is expected to outweigh projected new supply.

Net supply is expected to be supportive in 2H17



Source: Bloomberg; Thomson Reuters SDC; J.P. Morgan Research, *US Fixed Income Markets Weekly – Municipals,* 9/29/2017, jpmm.com, forecast as of 9/1/2017

Potential Market Capacity

Indicative Post-Event Market Capacity as of October 12, 2017			
Time Period	**Tax-exempt**	**Taxable**	**Total**
0 - 12 Months	$4-5 billion	$2.5-3.5 billion	$6.5-8.5 billion
12 - 24 Months	$3-4 billion	$2.5-3.5 billion	$5.5-7.5 billion
Total	**$7-9 billion**	**$5-7 billion**	**$12-16 billion**

Based on market conditions as of close of business Friday, October 6th, J.P. Morgan estimates that FHCF could sell $4-5 billion of tax-exempt bonds and $2.5-3.5 billion of taxable bonds over the next 0-12 months at the market rate assumptions provided. Over the following 12-24 month period, FHCF could sell an additional $3-4 billion of tax-exempt bonds and $2.5-3.5 billion of taxable bonds. This would provide FHCF a total post-event market capacity of $7-9 billion tax-exempt and $5-7 billion taxable, for a total of $12-16 billion.

In order to accomplish an issuance of maximum size, FHCF would likely want to access both the tax-exempt and taxable markets across one or more offerings. Although the post-event bonds would qualify for tax-exemption, the taxable markets may provide additional depth of institutional buyers. By issuing taxable bonds in addition to tax-exempt bonds, FHCF would access certain investors that do not typically participate in tax-exempt offerings, and are not able to use the tax-exemption of municipal bonds. FHCF would likely see a significant increase in capacity by offering both a tax-exempt and taxable series as part of the same issuance, with the ultimate goal being to maximize the tax-exempt issuance. The capacity estimates above do consider the capacity overlap from investors that participate in both the tax-exempt and taxable markets, while prioritizing tax-exempt capacity over taxable.

On the following pages, please find J.P. Morgan's estimated 30-year tax-exempt and taxable scales assuming market conditions as of the close of business Friday, October 6th. The scales assume FHCF's current underlying ratings of Aa3/AA/AA.

J.P.Morgan

Florida Hurricane Catastrophe Fund - Tax-exempt Scale						
Year	Maturity	Sinker/Term	Int. MMD	Spread	Coupon	Stated Yield
1	7/1/2018		0.92%	15	3.00%	1.07%
2	7/1/2019		0.99%	20	3.00%	1.19%
3	7/1/2020		1.07%	25	5.00%	1.32%
4	7/1/2021		1.17%	30	5.00%	1.47%
5	7/1/2022		1.34%	33	5.00%	1.67%
6	7/1/2023		1.48%	35	5.00%	1.83%
7	7/1/2024		1.61%	38	5.00%	1.99%
8	7/1/2025		1.76%	40	5.00%	2.16%
9	7/1/2026		1.90%	42	5.00%	2.32%
10	7/1/2027		2.00%	45	5.00%	2.45%
11	7/1/2028		2.10%	47	5.00%	2.57%
12	7/1/2029		2.18%	50	5.00%	2.68%
13	7/1/2030		2.25%	50	5.00%	2.75%
14	7/1/2031		2.32%	50	5.00%	2.82%
15	7/1/2032		2.39%	50	5.00%	2.89%
16	7/1/2033		2.45%	50	5.00%	2.95%
17	7/1/2034		2.51%	50	5.00%	3.01%
18	7/1/2035		2.56%	50	5.00%	3.06%
19	7/1/2036		2.60%	50	5.00%	3.10%
20	7/1/2037		2.64%	50	5.00%	3.14%
21	7/1/2038	*	2.68%			
22	7/1/2039	*	2.71%			
23	7/1/2040	*	2.73%			
24	7/1/2041	*	2.75%			
25	7/1/2042	T	2.77%	50	5.00%	3.27%
26	7/1/2043	*	2.79%			
27	7/1/2044	*	2.80%			
28	7/1/2045	*	2.81%			
29	7/1/2046	*	2.82%			
30	7/1/2047	T	2.83%	50	5.00%	3.33%

Assumes MMD as of close of business Friday, October 6th an optional redemption date of 7/1/2027 at par.

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Florida Hurricane Catastrophe Fund - Taxable Scale

Year	Maturity	Sinker/Term	UST	Spread	Coupon	Stated Yield
1	7/1/2018		1.35%	50	1.85%	1.85%
2	7/1/2019		1.51%	60	2.11%	2.11%
3	7/1/2020		1.65%	75	2.40%	2.40%
4	7/1/2021		1.97%	75	2.72%	2.72%
5	7/1/2022		1.97%	95	2.92%	2.92%
6	7/1/2023		2.20%	90	3.10%	3.10%
7	7/1/2024		2.20%	110	3.30%	3.30%
8	7/1/2025		2.37%	100	3.37%	3.37%
9	7/1/2026		2.37%	110	3.47%	3.47%
10	7/1/2027		2.37%	120	3.57%	3.57%
11	7/1/2028		2.37%	130	3.67%	3.67%
12	7/1/2029		2.37%	140	3.77%	3.77%
13	7/1/2030		2.37%	145	3.82%	3.82%
14	7/1/2031		2.37%	150	3.87%	3.87%
15	7/1/2032		2.37%	155	3.92%	3.92%
16	7/1/2033	*				
17	7/1/2034	*				
18	7/1/2035	*				
19	7/1/2036	*				
20	7/1/2037	T	2.91%	135	4.26%	4.26%
21	7/1/2038	*				
22	7/1/2039	*				
23	7/1/2040	*				
24	7/1/2041	*				
25	7/1/2042	*				
26	7/1/2043	*				
27	7/1/2044	*				
28	7/1/2045	*				
29	7/1/2046	*				
30	7/1/2047	T	2.91%	160	4.51%	4.51%

Assumes UST rates as of close of business Friday, October 6th and a make-whole call.

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Memorandum

To: Florida Hurricane Catastrophe Fund **Date:** October 13, 2017

From: Morgan Stanley

Subject: Florida Hurricane Catastrophe Fund
Semi-annual Bonding Capacity Analysis – October 2017

Morgan Stanley is pleased to provide to the Florida Hurricane Catastrophe Fund ("FHCF") with our Firm's Semi-annual Bonding Capacity Analysis.

TREASURY MARKET UPDATE

Treasuries experienced intraday volatility last week, and ended higher in yield on both the short and long end of the curve as the 5Y UST yields edged higher by 2 basis points (1.96%) while the 10Y UST and 30Y UST yields ended higher by 3 basis points (2.36% and 2.89% respectively).

Tax Reform. On September 27, 2017, the Trump administration released their framework for tax reform. From a broad overview, the tax release emphasized on cuts but were short on specific "pay fors". Some estimates of this plan indicate that there are about $5 trillion in proposed cuts that Republicans need to fit into a $1.5 trillion box. The lack of detail has the strategic benefit of holding off lobbyists and individual members who may oppose specific pay fors.

In addition, the administration held firm to its plan to eliminate the deduction for State and Local Taxes paid ("SALT"). The SALT deduction is the fifth largest tax expenditure in the federal income tax code, and is projected to cost the US Treasury $550 billion over five years. As one of the largest itemized deduction, it helps to pay for lower headline rates. That said, Morgan Stanley is skeptical that a full, immediate SALT repeal will become law given the complications of the politics involved.

Tax Exemption. Although the plan document does not mention municipal bonds, senior administration officials confirmed that the plan would not eliminate the municipal bond interest exemption, according to The Bond Buyer. In the absence of a concrete infrastructure plan, it appears that the administration is taking a 'do no harm' approach in choosing to preserve the municipal interest exemption. This is a positive development for the muni market. However, with spreads between tax-exempt munis and credit-quality-matched corporates implying a 30% tax benefit already, this good news appears to be largely priced in.

Rate Hike Expectations. Following the September FOMC meeting, confidence in a December rate hike reached new highs with a 73% chance of a December rate hike. The FOMC minutes noted that many participants are concerned about possible persistent factors depressing inflation, although the majority supports further hikes in the near future.

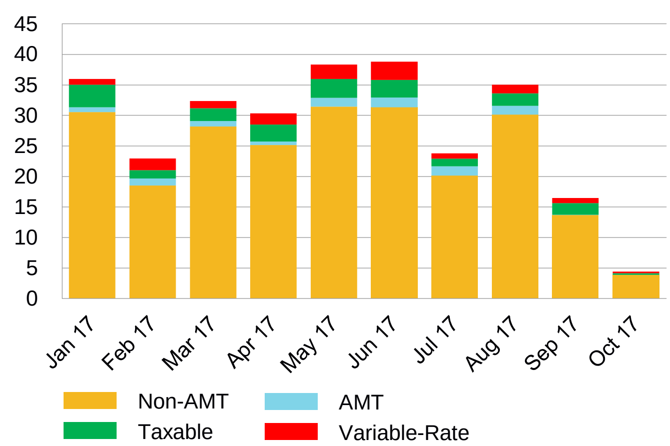
MUNICIPAL MARKET HIGHLIGHTS

There was weaker than usual primary market last week with volume at $5.4 billion. MMD yields were slightly higher on the short end of the curve as both 5Y MMD and 10Y MMD yields increased by 2 basis points (1.37% and 2.02% respectively). On the longer end of the curve, the 30Y MMD yield ended lower by 1 basis point (2.83%). Municipal market themes include:

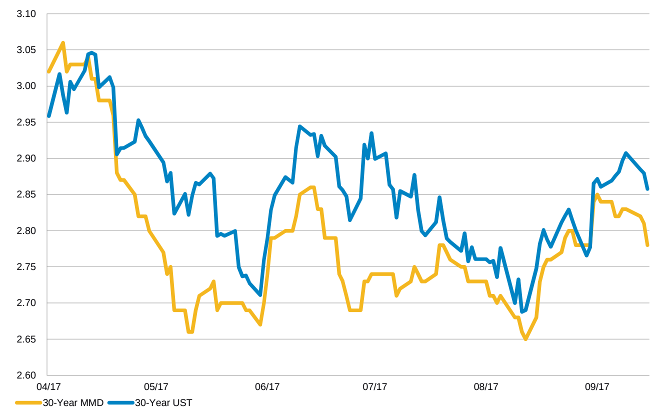
Municipal Bond Fund Net Inflows. Lipper reported $1.7 billion of net inflows into municipal bond funds, comprised of $240 million long term inflows, $1.2 billion of intermediate inflows, $266 million of short term inflows, and $19 million of high yield outflows.

Lower Issuance Volume in 2017. Since the start of 2017, the market has produced $292.4 billion of issuance in 8,447 deals, which is down 17% in volume from this time last year. The fall in issuance volume is largely driven by two factors: 1) a modest decline in new money issuance from financing delays on economic and tax policy uncertainty, and 2) a smaller pool of potential refunding bonds. Municipal bond issuance for September totaled $27.9 billion in 782 transactions, down from $40.0 billion in 1,120 transactions during the same period last year. For the third quarter of 2017, there were $88.7 billion of deals in 2,522 transactions, down from the $115.6 billion in 3,365 transactions during the same time last year.

Long-Term Municipal New Issuance Volume (2017YTD = $292.4 BN)
($BN)



MMD and UST Rates
(%)



PRICING VIEWS

Rates have lowered over the last few months since our last update with the 30Y UST yields ranging between 3.05% on May 10, 2017 and 2.69% on September 7, 2017, and the 30Y MMD yields ranging between 3.06% on May 2, 2017 and 2.65% on September 8, 2017. Current 30Y UST yields remain at lower levels since the beginning of the year and are now 32 basis points off its 2017 highs and 23 basis points above its 2017 lows and edge 7 basis points lower than where it was at the time of our last bonding capacity analysis on April 28, 2017. Similar to UST yields, current 30Y MMD yields have lowered and are now 42 basis points off its 2017 highs and 17 basis points above its 2017 lows and edge 18 basis points lower than where it was at the time of our last bonding capacity analysis on April 28, 2017.

On the following pages, we have provided our estimate of current pricing levels and bonding capacity over a 0-12 month and 12-24 month period.

1. **Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with 5.0% coupons throughout when writing the scale. Base the scale on an uninsured financing given the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).**

FHCF Pricing Views: 30-Year Tax-Exempt Scale					
Year	**Maturity**	**MMD (10/6/2017)**	**Spread (bps)**	**Coupon**	**Yield**
1	2018	0.920%	10	5.000%	1.020%
2	2019	0.990%	15	5.000%	1.140%
3	2020	1.070%	20	5.000%	1.270%
4	2021	1.170%	25	5.000%	1.420%
5	2022	1.340%	30	5.000%	1.640%
6	2023	1.480%	34	5.000%	1.820%
7	2024	1.610%	38	5.000%	1.990%
8	2025	1.760%	42	5.000%	2.180%
9	2026	1.900%	45	5.000%	2.350%
10	2027	2.000%	47	5.000%	2.470%
11	2028	2.100%	50	5.000%	2.600%
12	2029	2.180%	50	5.000%	2.680%
13	2030	2.250%	50	5.000%	2.750%
14	2031	2.320%	50	5.000%	2.820%
15	2032	2.390%	50	5.000%	2.890%
16	2033	2.450%	50	5.000%	2.950%
17	2034	2.510%	50	5.000%	3.010%
18	2035	2.560%	50	5.000%	3.060%
19	2036	2.600%	50	5.000%	3.100%
20	2037	2.640%	50	5.000%	3.140%
21	2038				
22	2039				
23	2040				
24	2041				
25	2042	2.770%	50	5.000%	3.270%
26	2043				
27	2044				
28	2045				
29	2046				
30	2047	2.830%	50	5.000%	3.330%

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2. **Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with par-ish coupons throughout when writing the scale. Again, base the scale on an uninsured financing given again the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).**

FHCF Pricing Views: 30-Year Taxable Scale					
Year	Maturity	UST (10/6/2017)	Spread (bps)	Coupon	Yield
1	2018				
2	2019	1.510%	50	2.010%	2.010%
3	2020	1.648%	65	2.298%	2.298%
4	2021	1.967%	65	2.617%	2.617%
5	2022	1.967%	80	2.767%	2.767%
6	2023	2.197%	80	2.997%	2.997%
7	2024	2.197%	95	3.147%	3.147%
8	2025	2.367%	90	3.267%	3.267%
9	2026	2.367%	100	3.367%	3.367%
10	2027	2.367%	110	3.467%	3.467%
11	2028				
12	2029				
13	2030				
14	2031				
15	2032	2.367%	160	3.967%	3.967%
16	2033				
17	2034				
18	2035				
19	2036				
20	2037	2.905%	115	4.055%	4.055%
21	2038				
22	2039				
23	2040				
24	2041				
25	2042				
26	2043				
27	2044				
28	2045				
29	2046				
30	2047	2.905%	130	4.205%	4.205%

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3. **Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 and 12-24 months at rates that are at or above the current "market" scale, as needed. In addition, please include and describe briefly in your response if there is any overlap in tax-exempt / taxable capacity.**

FHCF Post-Event Market Capacity ($ in Billions)			
Time Period	**Tax-Exempt**	**Taxable**	**Total**
0-12 Months	3.0-4.0	3.5-4.0	6.5-8.0
12-24 Months	3.0-4.0	4.0-4.5	7.0-8.5
Total	6.0-8.0	7.5-8.5	13.5-16.5

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WELLS FARGO SECURITIES

To: Florida Hurricane Catastrophe Fund

From: Wells Fargo Securities

Date: October 10, 2017

Re: Florida Hurricane Catastrophe Fund Bonding Capacity Analysis for October 2017

Wells Fargo Securities ("Wells Fargo") is pleased to provide the Florida Hurricane Catastrophe Fund ("FHCF") with our estimate of FHCF bonding capacity for October 2017. On the following pages please find our estimate of current market tax-exempt and taxable scales and spreads along with our estimate of bonding capacity for the 0-12 and 13-24 month time periods assuming unconstrained spreads. Feel free to contact any of the Wells Fargo team if we can provide additional information or address any questions regarding these estimates.

Wells Fargo continues to believe that conditions in the municipal market are favorable for the issuance of FHCF bonds, and our current capacity estimates of $14.0 billion to $20.0 billion in combined tax-exempt and taxable bonds over a 24-month time horizon remain unchanged from our previous estimates provided in May 2017. As in our previous bonding capacity estimates, the market scales that we have provided for taxable and tax-exempt FHCF bonds, based on market conditions as of October 6, 2017, both assume a $3 billion issuance amortized in discrete $100 million amounts over 30 years. We believe this level of issuance falls within the market's current capacity for FHCF's debt.

Wells Fargo has executed approximately $920 million of secondary market trades in FHCF bonds since the beginning of 2016, and our estimates for taxable spreads in this memorandum are informed by our trading activities supporting FHCF's bonds in the secondary market.

After a period of increased volatility and rising rates following the 2016 election, the municipal market has enjoyed a period of stability and lower rates since our last bond capacity estimate in May 2017 with spot rates along the 'AAA' MMD[1] yield curve reduced on average by 14 basis points as of October 6, 2017 market close. The overall reduction in 'AAA' MMD came despite the Federal Reserve's increase of the benchmark interest rate to 1.25% in June, although recent hawkish commentary from the Federal Reserve has led to a small increase in both Treasury and municipal rates during the past few weeks. The threat of tax-reform has continued to recede, with many investors re-engaging amid uncertainty as to the timing and likelihood of tax reform passing during 2017. With investors looking to put cash to work (over $20 billion of net municipal bond fund flows year-to-date)[2] – and year-to-date supply down over 16% through September from the same period in 2016[3] – the supply/demand imbalance has also worked in issuers' favor, causing both absolute rates and credit spreads to tighten over the last several weeks. These factors, in conjunction with the flight to quality created by the global uncertainty in North Korea, have created a more positive market tone for high-grade issuers like FHCF. Overall, since our last bonding capacity analysis, the 30-year benchmark 'AAA' MMD yield has declined by 18 basis points to 2.83% and the 30-year US Treasury has declined by 7 basis points to 2.89%.

Wells Fargo appreciates the opportunity to present our analysis of FHCF's current bonding capacity. As detailed in our response, should the need arise, we expect that current market conditions should allow FHCF to execute one or more transactions in an aggregate amount equal to or greater than the potential capital market funding needs for the current contract year. We will continue to monitor market conditions on FHCF's behalf and keep you informed of market developments that may affect FHCF's future bonding capacity.

[1] Thomson Reuters Municipal Market Data ("MMD")
[2] Source: Lipper, as of October 4, 2017.
[3] Source: Bond Buyer, Thomson Reuters SDC

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1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with 5.0% coupons throughout when writing the scale. Base the scale on an uninsured financing given the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

Florida Hurricane Catastrophe Fund Tax-Exempt Scale Rates as of October 6, 2017						
Maturity	MMD	Spread (bps)	Coupon	Yield	Price	Yield to Maturity
7/1/2018	0.94%	20	5.000%	1.140%	102.819	-
7/1/2019	1.00%	30	5.000%	1.300%	106.329	-
7/1/2020	1.09%	35	5.000%	1.440%	109.515	-
7/1/2021	1.20%	40	5.000%	1.600%	112.280	-
7/1/2022	1.37%	45	5.000%	1.820%	114.364	-
7/1/2023	1.50%	50	5.000%	2.000%	116.178	-
7/1/2024	1.64%	55	5.000%	2.190%	117.506	-
7/1/2025	1.79%	55	5.000%	2.340%	118.719	-
7/1/2026	1.92%	58	5.000%	2.500%	119.507	-
7/1/2027	2.02%	58	5.000%	2.600%	120.522	-
7/1/2028	2.11%	60	5.000%	2.710%	119.477	2.878%
7/1/2029	2.19%	60	5.000%	2.790%	118.724	3.086%
7/1/2030	2.25%	60	5.000%	2.850%	118.162	3.247%
7/1/2031	2.32%	60	5.000%	2.920%	117.512	3.394%
7/1/2032	2.39%	60	5.000%	2.990%	116.865	3.523%
7/1/2033	2.45%	60	5.000%	3.050%	116.314	3.630%
7/1/2034	2.51%	60	5.000%	3.110%	115.766	3.725%
7/1/2035	2.56%	60	5.000%	3.160%	115.312	3.805%
7/1/2036	2.60%	60	5.000%	3.200%	114.951	3.870%
7/1/2037	2.64%	60	5.000%	3.240%	114.590	3.930%
7/1/2038	2.68%					
7/1/2039	2.71%					
7/1/2040	2.73%					
7/1/2041	2.75%					
7/1/2042	2.77%	60	5.000%	3.370%	113.428	4.128%
7/1/2043	2.79%					
7/1/2044	2.80%					
7/1/2045	2.81%					
7/1/2046	2.82%					
7/1/2047	2.83%	60	5.000%	3.430%	112.897	4.233%

Please note that the tax-exempt scale shown above assumes that the bonds would be issued with a 10-year par call provision. Bond prices shown in the table above assume an October 6, 2017 dated date.

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2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, October 6th. This scale should be the one that you believe reflects a "market" scale given the FHCF's credit with no capacity constraints. Please use serial bonds and 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/18 - 7/1/47) with par-ish coupons throughout when writing the scale. Again, base the scale on an uninsured financing given again the FHCF's current underlying ratings of Aa3/AA/AA (Moody's / S&P / Fitch).

Florida Hurricane Catastrophe Fund
Taxable Scale
Rates as of October 6, 2017

Maturity	UST	Spread (bps)	Coupon	Yield	Price	Yield to Maturity
7/1/2018	1.330%	65	1.980%	1.980%	100.000	-
7/1/2019	1.500%	75	2.250%	2.250%	100.000	-
7/1/2020	1.640%	85	2.490%	2.490%	100.000	-
7/1/2021	1.960%	70	2.660%	2.660%	100.000	-
7/1/2022	1.960%	85	2.810%	2.810%	100.000	-
7/1/2023	2.190%	80	2.990%	2.990%	100.000	-
7/1/2024	2.190%	100	3.190%	3.190%	100.000	-
7/1/2025	2.360%	100	3.360%	3.360%	100.000	-
7/1/2026	2.360%	110	3.460%	3.460%	100.000	-
7/1/2027	2.360%	120	3.560%	3.560%	100.000	-
7/1/2028	2.360%	130	3.660%	3.660%	100.000	-
7/1/2029	2.360%	140	3.760%	3.760%	100.000	-
7/1/2030	2.360%	145	3.810%	3.810%	100.000	-
7/1/2031	2.360%	150	3.860%	3.860%	100.000	-
7/1/2032	2.360%	155	3.910%	3.910%	100.000	-
7/1/2033						
7/1/2034						
7/1/2035						
7/1/2036						
7/1/2037	2.890%	130	4.190%	4.190%	100.000	-
7/1/2038						
7/1/2039						
7/1/2040						
7/1/2041						
7/1/2042						
7/1/2043						
7/1/2044						
7/1/2045						
7/1/2046						
7/1/2047	2.890%	150	4.390%	4.390%	100.000	-

Please note that the taxable scale shown above assumes the bonds would be issued with a make-whole call provision.

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3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event market capacity over the next 0-12 and 12-24 months at rates that are at or above the current "market" scale, as needed. In addition, please include and describe briefly in your response if there is any overlap in tax-exempt / taxable capacity.

FHCF Post-Event Market Capacity			
Time Period	**Tax-Exempt**	**Taxable**	**Total**
0-12 Months	$6.0 - $8.0 billion	$3.0 - $4.0 billion	$9.0 - $12.0 billion
13-24 Months	$3.0 - $5.0 billion	$2.0 - $3.0 billion	$5.0 - $8.0 billion
0-24 Months Total	$9.0 - $13.0 billion	$5.0 - $7.0 billion	$14.0 - $20.0 billion

The capacity estimates shown in the table above assume FHCF would issue debt at higher interest rates than the current "market" tax-exempt and taxable scales that we have provided in our response to questions 1 and 2. Also, please note that there is an overlap between the buyers of taxable and tax-exempt FHCF bonds and the capacity estimates provided in the table above take that overlap into consideration.

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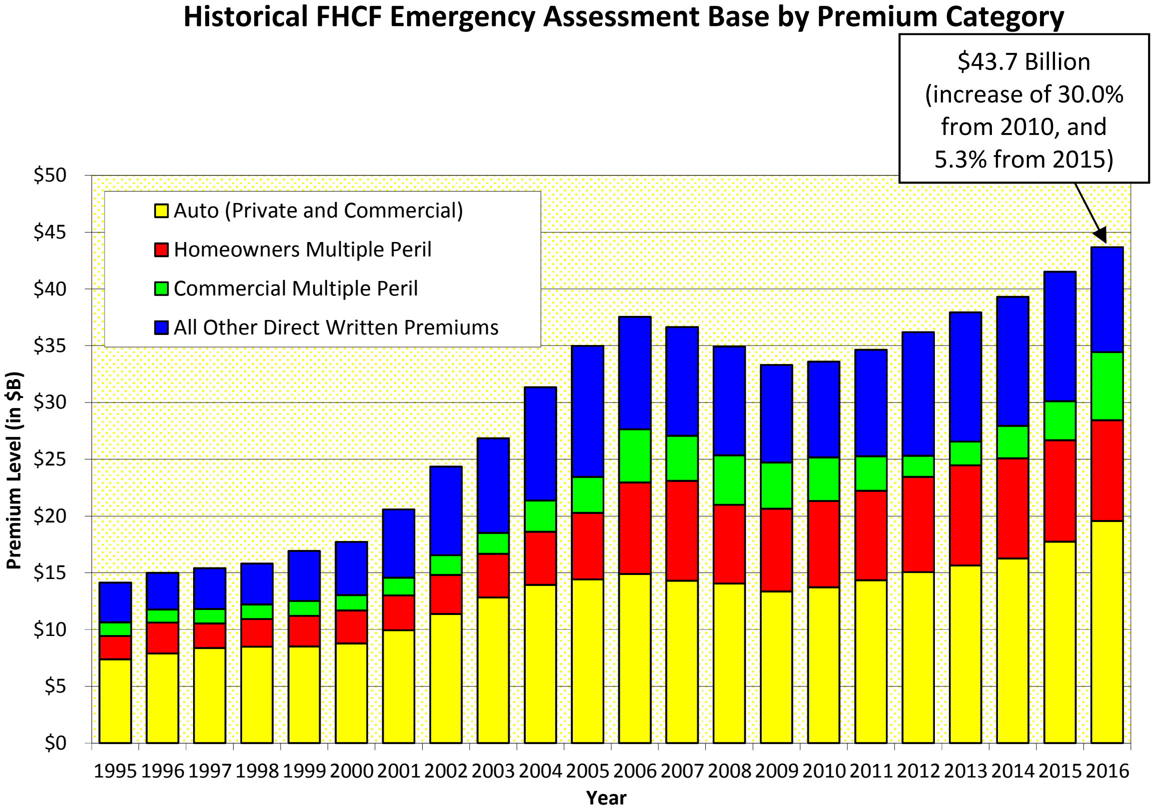
Appendix B – The FHCF's Emergency Assessment Base

According to Section 215.555(6)(b)1., Florida Statutes, *"(i)f the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the corporation, including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement premiums, the board shall direct the Office of Insurance Regulation to levy, by order, an* ***emergency assessment on direct premiums for all property and casualty lines of business in this state, including property and casualty business of surplus lines insurers regulated under part VIII of chapter 626, but not including any workers' compensation premiums or medical malpractice premiums. As used in this subsection, the term "property and casualty business" includes all lines of business identified on Form 2, Exhibit of Premiums and Losses, in the annual statement required of authorized insurers by s. 624.424 and any rule adopted under this section, except for those lines identified as accident and health insurance and except for policies written under the National Flood Insurance Program****."*

In numerical terms, this gives the FHCF an ability to assess against a base which, as of the end of 2016 (the last official measurement date), totaled approximately $43.7 billion. The chart below and table on the following page show the evolution of the FHCF's assessment base over time, both by type of coverage and admitted market and surplus lines.

Historical FHCF Emergency Assessment Base by Premium Category



Florida Hurricane Catastrophe Fund

Historical FHCF Emergency Assessment Base ($MM)

Admitted Market, Surplus Lines, and the dollar value of a 6% emergency assessment

Calendar Year	Admitted Lines DWP*	Surplus Lines and NIMA Clearinghouse DWP	Total Aggregate Premium	6% Emergency Assessment	% Premium Change from Prior Year
1995	$13,783	-	$13,783	-	
1996	$14,994	-	$14,994	-	8.79%
1997	$15,402	-	$15,402	-	2.72%
1998	$15,817	-	$15,817	-	2.70%
1999	$16,036	-	$16,036	-	1.38%
2000	$16,780	-	$16,780	-	4.64%
2001	$19,195	-	$19,195	-	14.39%
2002	$22,150	-	$22,150	-	15.39%
2003	$24,411	$2,435	$26,845	$1,611	21.20%
2004	$28,649	$2,695	$31,344	$1,881	16.76%
2005	$31,714	$3,275	$34,989	$2,099	11.63%
2006	$33,346	$4,208	$37,554	$2,253	7.33%
2007	$32,545	$4,101	$36,646	$2,199	-2.42%
2008	$30,830	$4,095	$34,926	$2,096	-4.69%
2009	$29,454	$3,859	$33,313	$1,999	-4.62%
2010	$29,888	$3,715	$33,603	$2,016	0.87%
2011	$30,943	$3,696	$34,640	$2,078	3.09%
2012	$32,323	$3,862	$36,185	$2,171	4.46%
2013	$33,726	$4,206	$37,933	$2,276	4.83%
2014	$35,085	$4,216	$39,302	$2,358	3.61%
2015	$36,957	$4,550	$41,507	$2,490	5.61%
2016	$39,069	$4,623	$43,693	$2,622	5.26%

Source: Office of Insurance Regulation ("OIR") and Florida Surplus Lines Service Office ("FSLSO")
DWP is as of 12/31 and is based on companies reporting to the OIR on behalf of the FHCF and is subject to change as company/agent adjustments are reported. In 2004, the Florida legislature excluded medical malpractice for 3 years and included surplus lines and has continued to exclude medical malpractice, which has been extended until June 2019.
**2011-2016 DWP is adjusted to reflect changes in the reporting requirements. The 2011-2016 DWP for admitted lines prior to these allowed adjustments was $31.4 billion, $32.7 billion, $34.1 billion, $35.4 billion, $37.1 billion, and $39.2 billion respectively.*
Average direct written premium increase (geometric mean) from 2000-2016 is 6.07%.

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2016 Admitted Market Lines Premiums ($MM)

Line of Business	2016 Total Assessable Premium
Fire	$721.5
Allied Lines	$1,591.7
Multiple Peril Crop	$92.6
Private crop	$7.8
Farmowners Multiple Peril	$40.1
Homeowners Multiple Peril	$8,520.2
Commercial Multiple Peril (Non-Liability)	$1,203.9
Commercial Multiple Peril (Liability)	$553.4
Mortgage Guaranty	$284.4
Ocean Marine	$309.6
Inland Marine	$1,193.5
Financial Guaranty	$6.3
Earthquake	$5.7
Other liability - occurrence	$3,107.1
Other liability - claims	$617.2
Products Liability	$114.6
Private Passenger Auto No-Fault (PIP)	$3,577.8
Other Private Passenger Auto Liability	$8,926.9
Commercial Auto No-Fault (PIP)	$123.5
Other Commercial Auto Liability	$1,789.4
Private Passenger Auto Physical	$4,811.1
Commercial Auto Physical Damage	$341.8
Aircraft (All Perils)	$100.0
Fidelity	$64.1
Surety	$359.9
Burglary and Theft	$16.5
Boiler and Machinery	$58.9
Credit	$107.5
Warranty	$465.4
Aggregate Write-ins	$131.8
Independently Procured Coverage (IPC)	$0.0
Allowed Adjustments *	-$175.0
Totals	**$39,069.2**

** Adjustments to DWP, which are not subject to FHCF assessments*
Source: Florida Office of Insurance Regulation, Market Research Unit

2016 Surplus Lines and Non-Admitted Insurance Multi-State Agreement ("NIMA")

Clearinghouse Premiums ($MM)

Coverage Code		2016 Surplus Lines and NIMA Clearinghouse
1000	Commercial Property	$1,630.2
1001	Builders Risk	$64.8
1002	Business Income	$2.9
1003	Apartments (Commercial)	$4.0
1004	Boiler and Machinery	$0.1
1005	Commercial Package (Property & Casualty)	$312.5
1006	Condominium Package (Commercial)	$56.0
1007	Crop Hail	$0.0
1008	Difference In Conditions	$12.3
1009	Earthquake	$0.5
1010	Flood	$24.5
1011	Glass (Commercial)	$0.0
1012	Mortgagee Impairment	$1.1
1013	Windstorm &/or Hail	$70.4
1014	Mold Coverage - Commercial	$1.8
1015	Sinkhole Coverage - Commerical	$0.0
1016	Excess Flood - Commercial	$12.1
1017	Collateral Protection	$40.1
1018	Fire	$0.0
1100	Bankers Blanket Bond	$1.3
1101	Blanket Crime Policy	$0.6
1102	Employee Dishonesty	$0.0
1103	Identity Theft	$0.1
1104	Deposit Forgery	$0.0
1105	Miscellaneous Crime	$1.2
1200	Accident & Health	$21.1
1201	Credit Insurance	$5.0
1202	Animal Mortality	$0.3
1203	Mortgage Guaranty	$0.0
1204	Worker's Compensation-Excess Only	$5.5
1205	Product Recall	$6.7
1206	Kidnap/Ransom	$0.1
1207	Surety	$2.7
1208	Weather Insurance	$0.0
1209	Prize Indemnification	$0.1
1210	Travel Accident	$0.0
1211	Terrorism	$13.5
1212	Fidelity	$1.5
2000	Homeowners-HO-1	$0.8
2001	Homeowners-HO-2	$0.3
2002	Homeowners-HO-3	$285.0
2003	Tenant Homeowners-HO-4	$1.1
2004	Homeowners-HO-5	$21.0
2005	Condo Unit-Owners HO-6	$55.3
2006	Homeowners-HO-8	$25.5
2007	Dwelling Builders Risk	$2.2
2008	Dwelling Flood	$14.6
2009	Dwelling Property	$84.8
2010	Farmowners Multi-Peril	$2.2
2011	Mobile Homeowners	$11.8
2012	Windstorm	$20.2
2013	Mold Coverage - Residential	$0.0
2014	Sinkhole Coverage - Residential	$0.0
2015	Excess Flood - Residential	$22.7
3000	Marine Operators Legal Liability - Taxable	$0.7
3001	Marine Liabilities Package - Taxable	$8.8
3002	Ocean Marine-Hull &/or Protection & Indemnity	$7.8
3003	Ocean Cargo Policy	$24.7
3004	Ship Repairers Legal Liability	$0.0
3005	Stevedores Legal Liability	$0.0

Coverage Code		2016 Surplus Lines and NIMA Clearinghouse
3006	Personal & Pleasure Boats & Yachts	$16.8
3007	Ocean Marine Builder's Risk	$2.2
3008	Longshoremen (Jones Act)	$0.8
3010	Marine Operators Legal Liability - Non Taxable	$0.0
3011	Marine Liabilities Package - Non Taxable	$0.2
4000	Inland Marine (Commercial)	$19.6
4001	Inland Marine (Personal)	$11.9
4002	Motor Truck Cargo	$23.0
4003	Jewelers Block	$6.3
4004	Furriers Block	$0.0
4005	Contractors Equipment	$1.1
4006	Electronic Data Processing	$1.9
5000	Commercial General Liability	$818.2
5001	Commercial Umbrella Liability	$67.0
5002	Directors & Officers Liability (Profit)	$20.7
5003	Directors & Officers Liability (Non-Profit)	$4.5
5004	Educator Legal Liability	$1.7
5005	Employment Practices Liability	$10.9
5006	Excess Commercial General Liability (Not Umbrella)	$171.3
5007	Excess Personal Liability (Not Umbrella)	$3.9
5008	Liquor Liability	$4.0
5009	Owners & Contractors Protective	$5.6
5010	Personal Umbrella	$7.6
5011	Personal Liability	$21.2
5012	Pollution & Environment Liability	$57.1
5013	Product & Completed Operations Liability	$12.7
5014	Public Officials Liability	$1.6
5015	Police Professional Liability	$1.3
5016	Media Liability	$2.9
5017	Railroad Protective Liability	$3.1
5018	Asbestos Removal & Abatement	$0.0
5019	Guard Service Liability	$0.9
5020	Special Events Liability	$3.6
5021	Miscellaneous Liability	$51.6
5022	Cyber Liability	$40.2
6000	Hospital Professional Liability	$1.0
6001	Miscellaneous Medical Professionals	$0.4
6002	Nursing Home Professional Liability	-$0.4
6003	Physician/Surgeon	$0.4
7000	Architects & Engineers Liability	$21.4
7001	Insurance Agents & Brokers E&O	$14.4
7002	Lawyers Professional Liability	$43.7
7003	Miscellaneous E&O Liability	$132.5
7004	Real Estate Agents E&O	$2.4
7005	Software Design Computer E & S	$3.1
8000	Commercial Auto Liability	$21.5
8001	Commercial Auto Excess Liability	$9.4
8002	Commercial Auto Physical Damage	$27.5
8003	Dealers Open Lot	$15.9
8004	Garage Liability	$27.2
8005	Garage Keepers Legal	$2.3
8006	Private Passengers Auto-Physical Damage Only	$0.0
8007	Personal Excess Auto Liability	$0.1
9000	Commercial Aircraft Hull &/or Liability	$14.1
9001	Airport Liability	$1.0
9002	Aviation Cargo	$0.1
9003	Aviation Product Liability	$8.6
9004	Hanger Keepers Legal Liability	$0.0
9005	Personal & Pleasure Aircraft	$0.1
	Allowed Adjustments *	-$1.4
	Totals	**$4,623**

** Adjustments to NIMA Clearinghouse Premiums, which are not subject to FHCF assessments*
Source: FSLSO and NIMA Clearinghouse
Based on policies with a submitted/filed/written date from 1/1/16 to 12/31/16.