

# FLORIDA HURRICANE CATASTROPHE FUND

24<sup>th</sup> ANNUAL PARTICIPATING  
INSURERS WORKSHOP

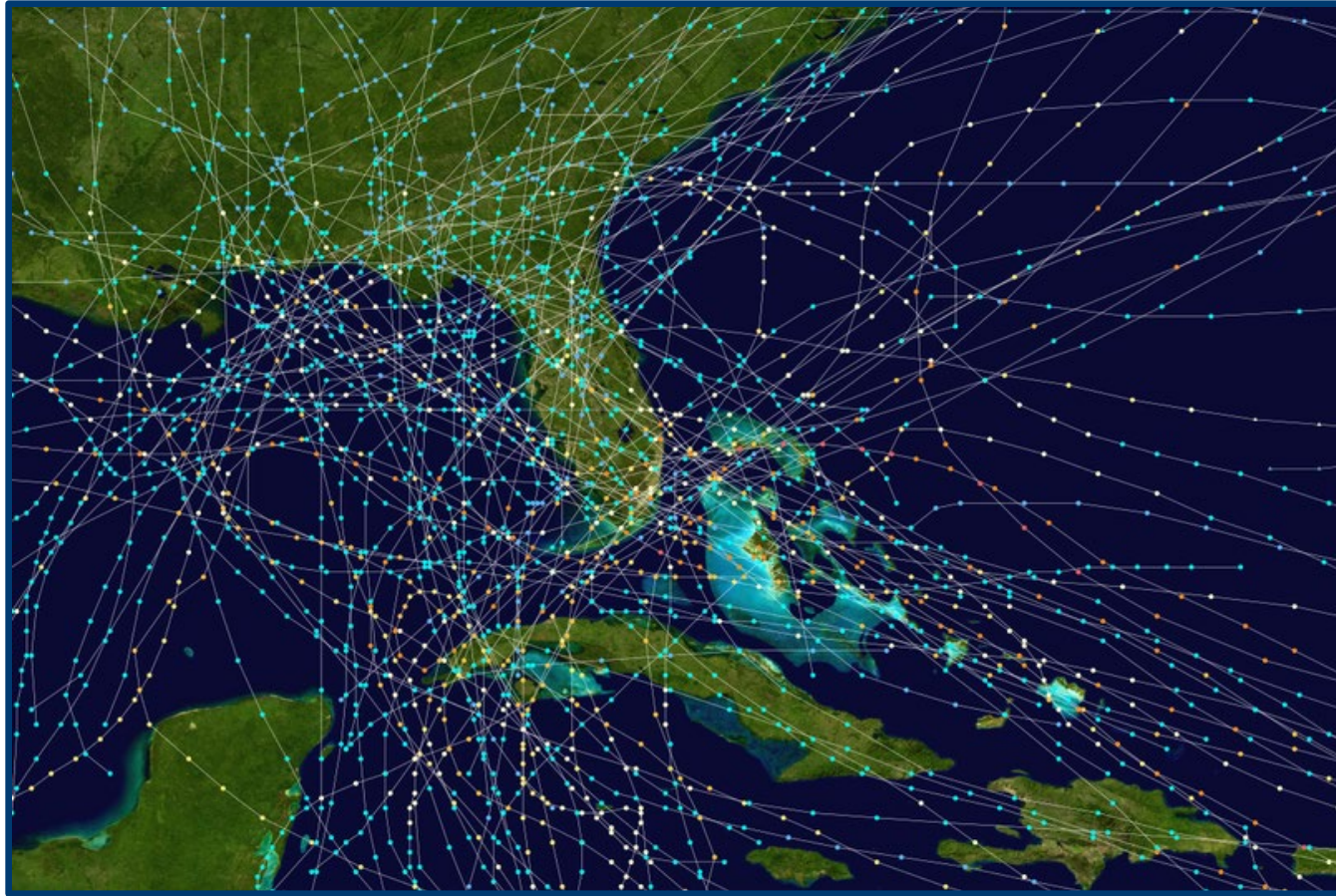
JUNE 6, 2024



Hurricane Ian, 2022

# WELCOME

Gina Wilson, Chief Operating Officer, Florida Hurricane Catastrophe Fund



# AGENDA

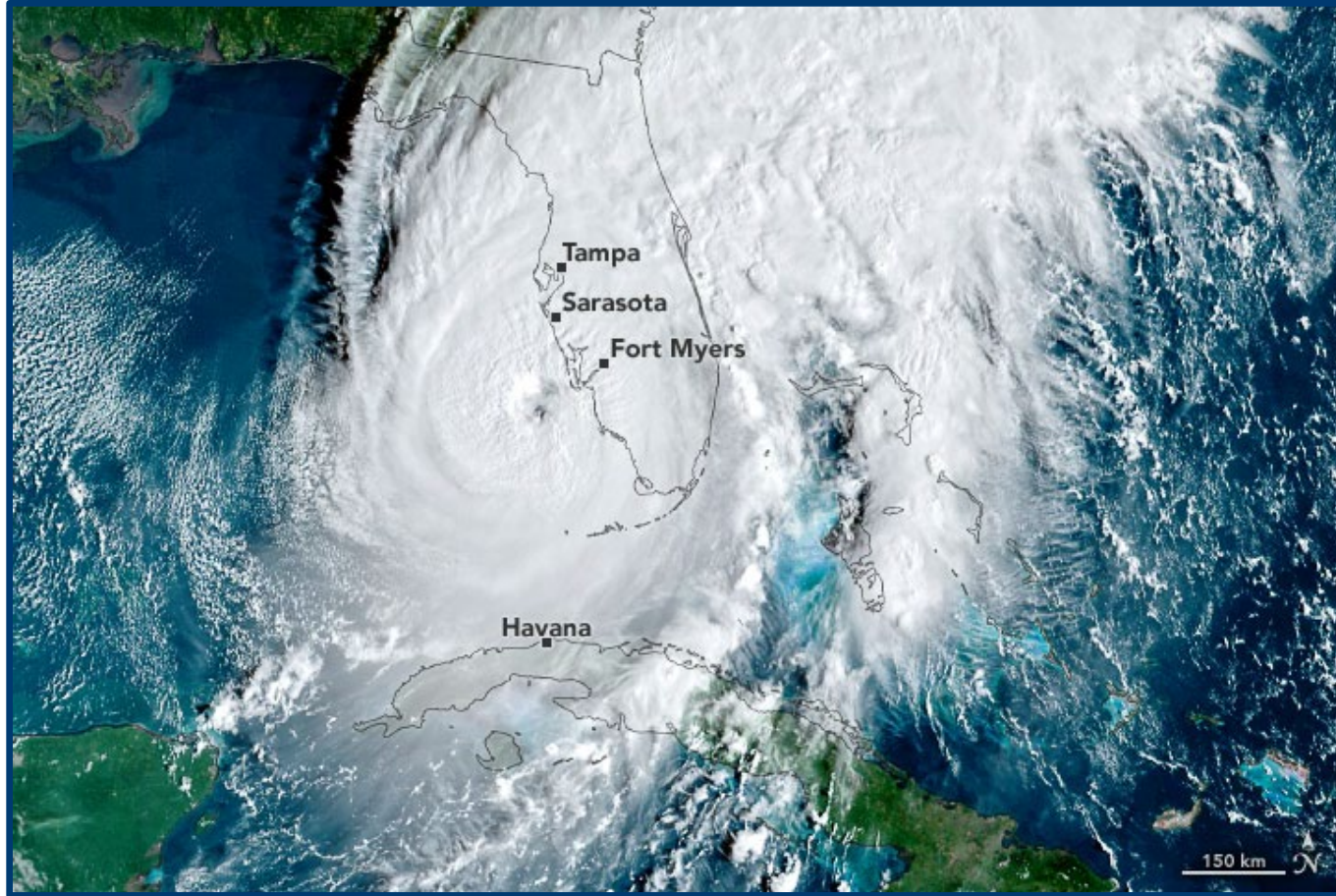
## Welcome

- FHCF Status Update
- 2024 FHCF Reimbursement Premium Formula
- FHCF Reporting Changes
- *WIRE* Reporting Changes
- Claims Exam Essentials
- Impact of Reporting Errors
- Getting Your Reimbursement
- Where to Find What You Need on the FHCF Website

## Final Remarks

# FHCF STATUS UPDATE

Gina Wilson, Chief Operating Officer, FHCF



Hurricane Ian,  
September 28, 2022

The FHCF's statutory mission is to provide a stable and ongoing source of timely reimbursement to residential property insurers for a portion of their catastrophic hurricane losses for the purpose of protecting and advancing the state's interest in maintaining residential property insurance capacity.

## Key Data – Contract Year 2024-2025

Participating Insurers – 140

Average Coverage Level – 86.9%

### Projected:

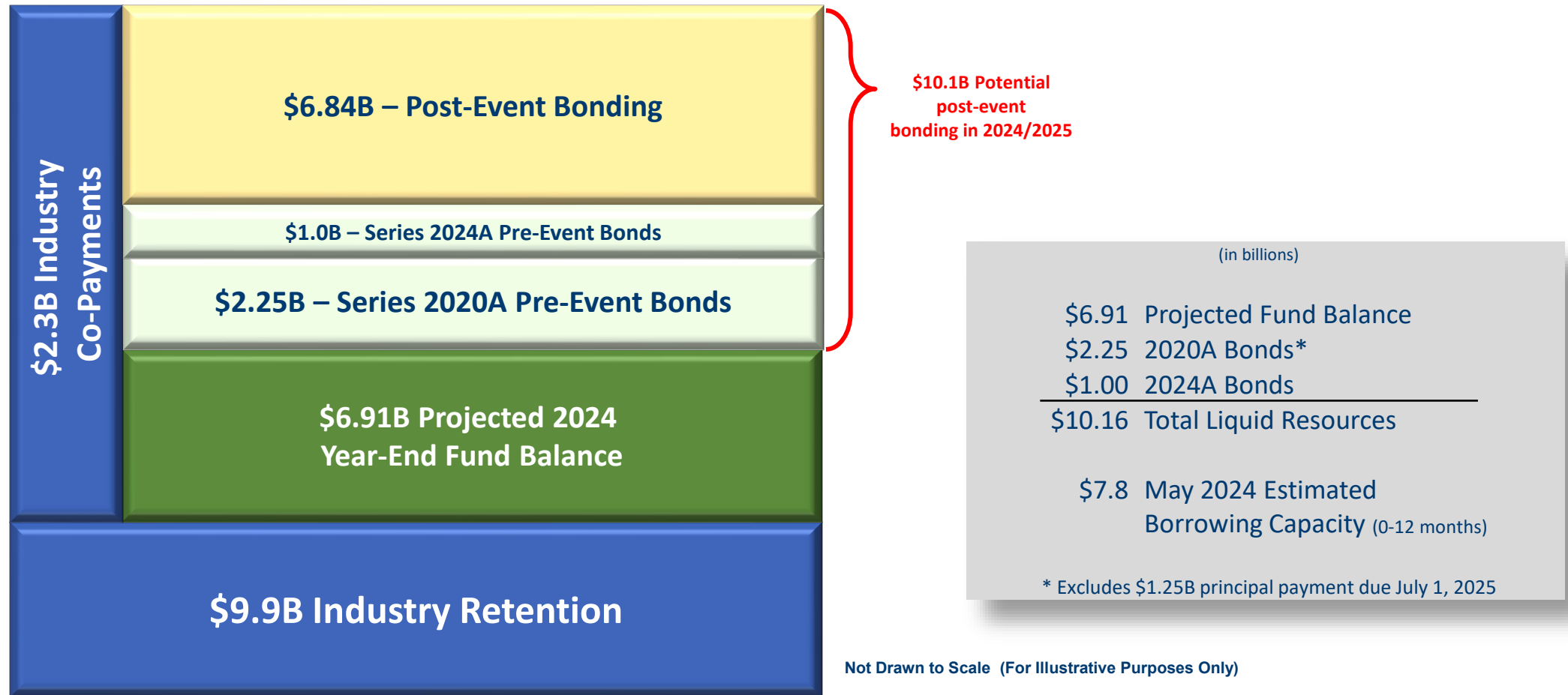
- Exposure Base – \$3.6 Trillion
  - *Projected increase of nearly \$300 Billion or 9.3%*
  - *Over 80% is residential homeowners*
- Industry Retention – \$9.9 Billion
  - *120% growth in exposure since 2004*
- Premium – \$1.52 Billion

## Maximum Coverage Chart - \$17B FHCF Capacity

(Loss Adjustment Expense of 10% is included in the capacity)

as of May 1, 2024

*Projected Year-End Fund Balance is net of total losses incurred of \$9.5B for Hurricane Ian and \$20M for Hurricane Idalia*



Relevant data is aggregated for all participating insurers. Each participating insurer has its own retention and maximum coverage level. All insurers would need to reach their maximum coverage limits in order to exhaust the last billion of FHCF Coverage. Insurers can trigger coverage below the industry retention.

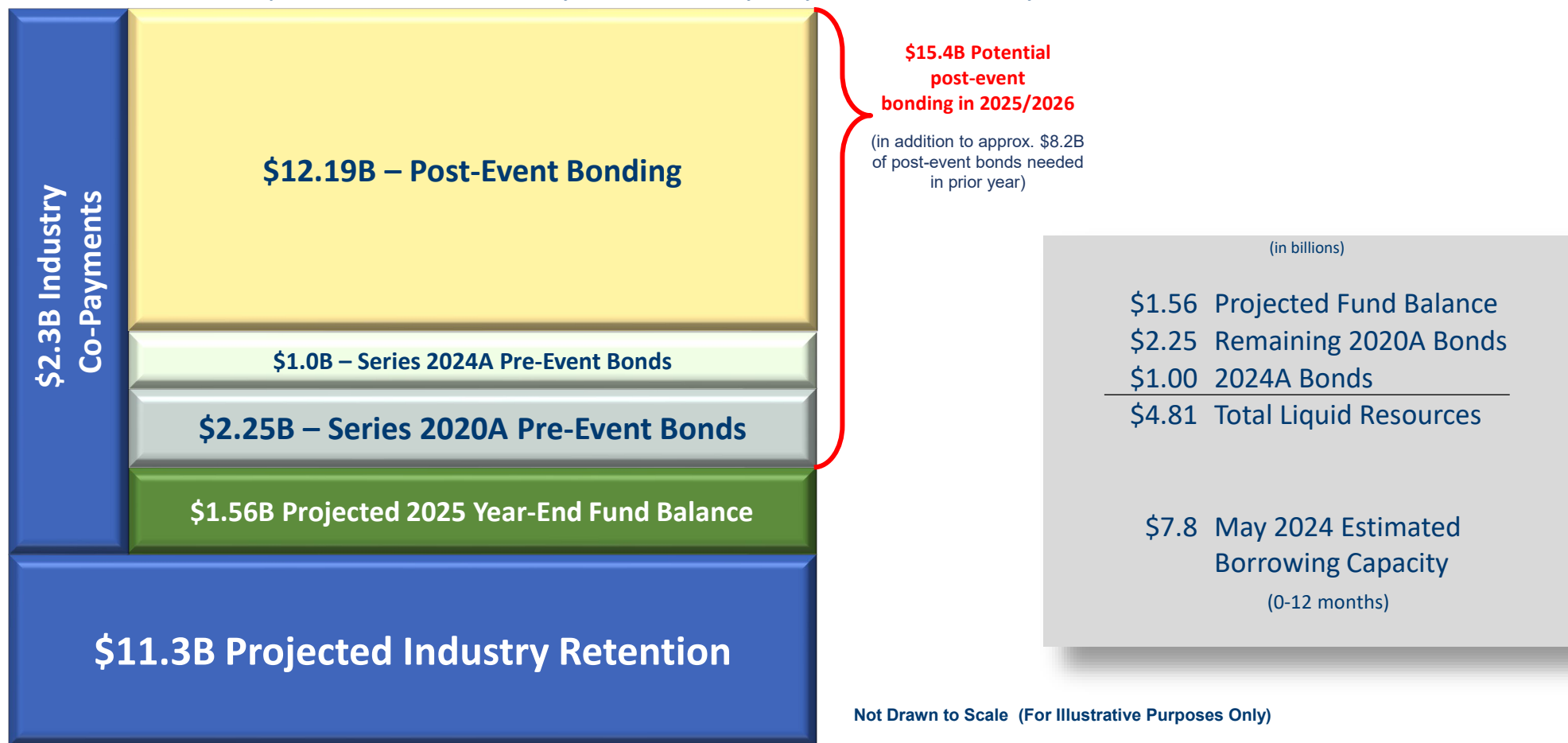
## Maximum Coverage Chart - \$17B FHCF Capacity

(Loss Adjustment Expense of 10% is included in the capacity)

as of May 1, 2024

Preserved pre-event bonds after cash balance exhausted in Contract Year 2024/2025

Projected Year-End Fund Balance is net of total losses incurred of \$9.5B for Hurricane Ian and \$20M for Hurricane Idalia



Not Drawn to Scale (For Illustrative Purposes Only)

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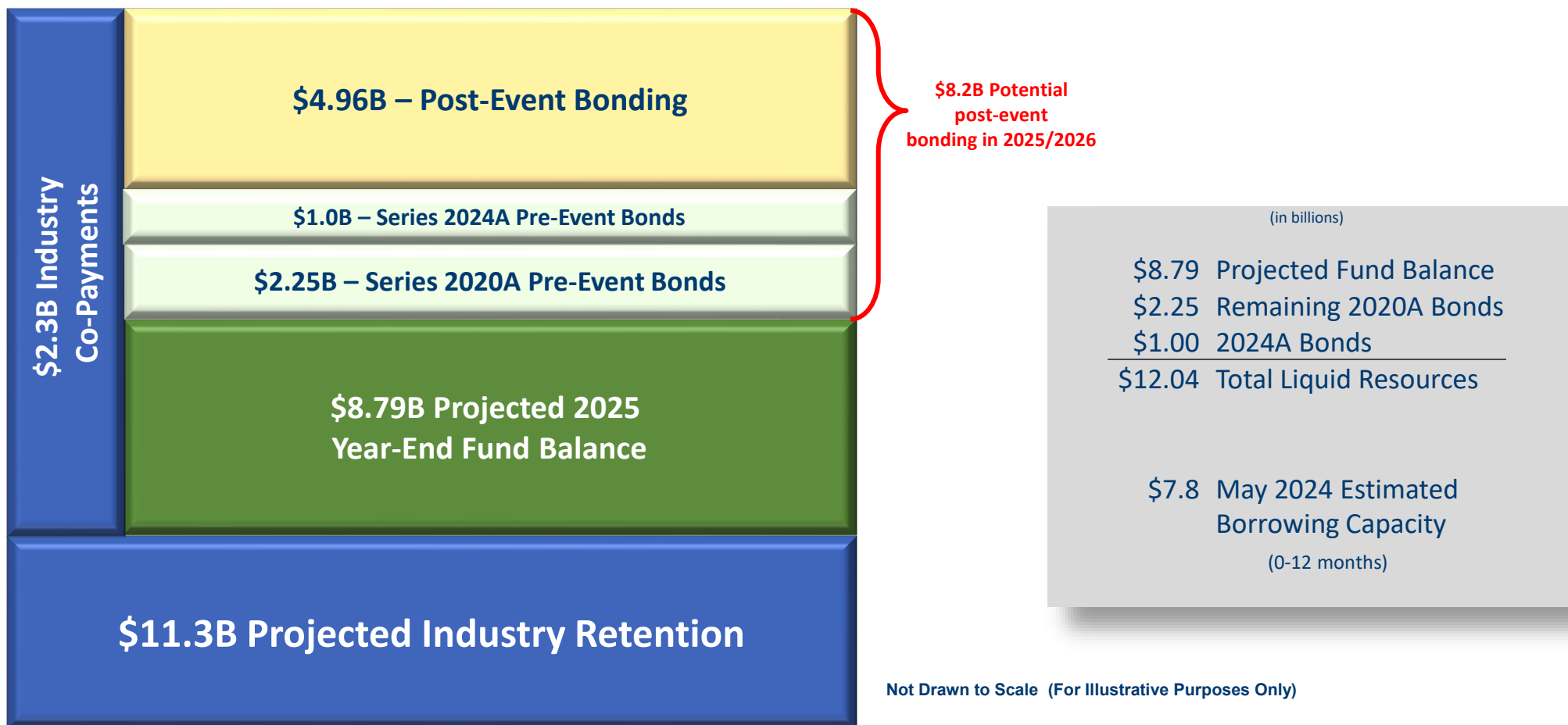
# 2025/2026 Subsequent Season

## Maximum Coverage Chart - \$17B FHCF Capacity

(Loss Adjustment Expense of 10% is included in the capacity)

as of May 1, 2024

*Assumes no additional hurricanes in 2024 and no increase in reserves for hurricanes occurring in prior years  
Projected Year-End Fund Balance is net total losses incurred of \$9.5B for Hurricane Ian and \$20M for Hurricane Idalia*



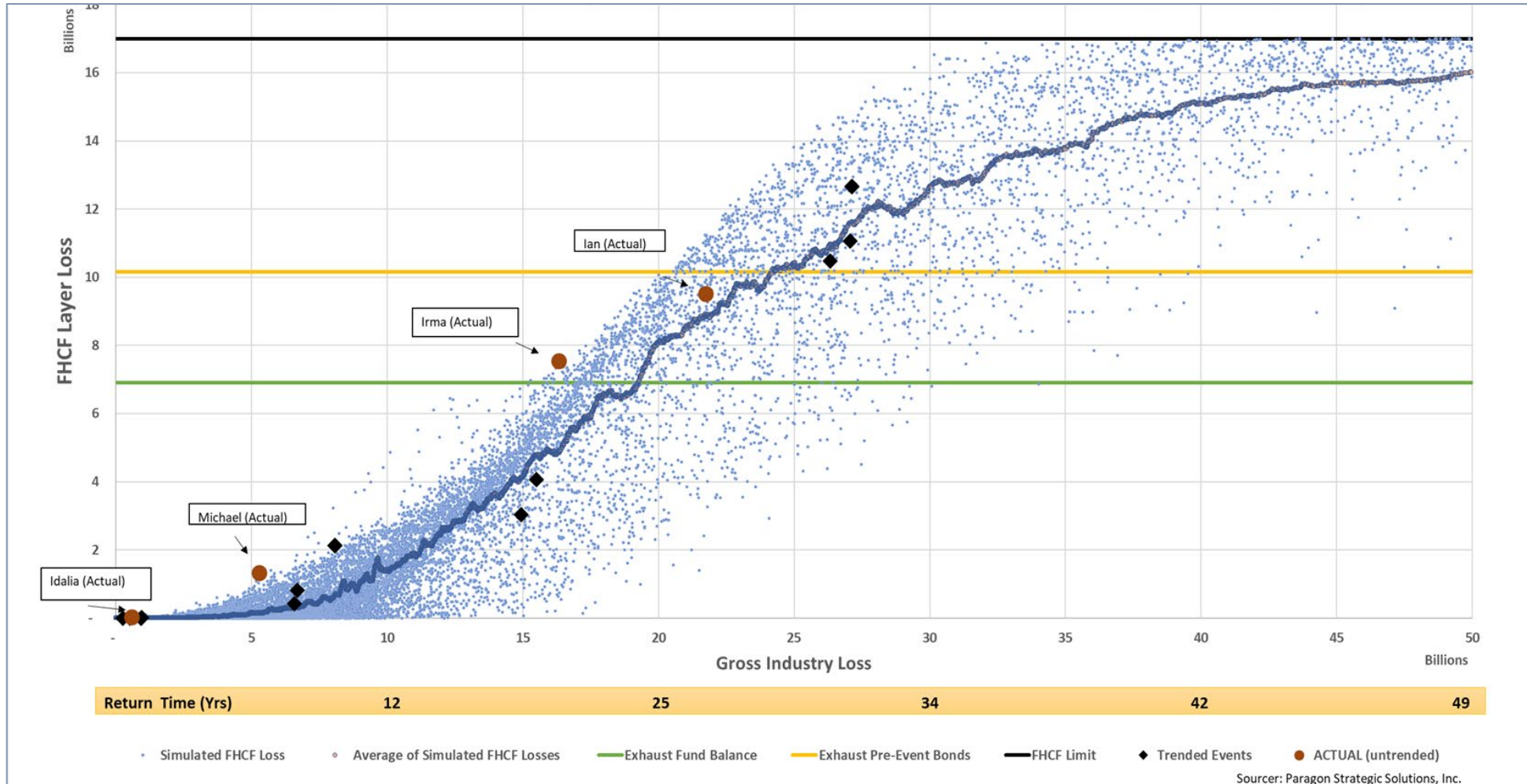
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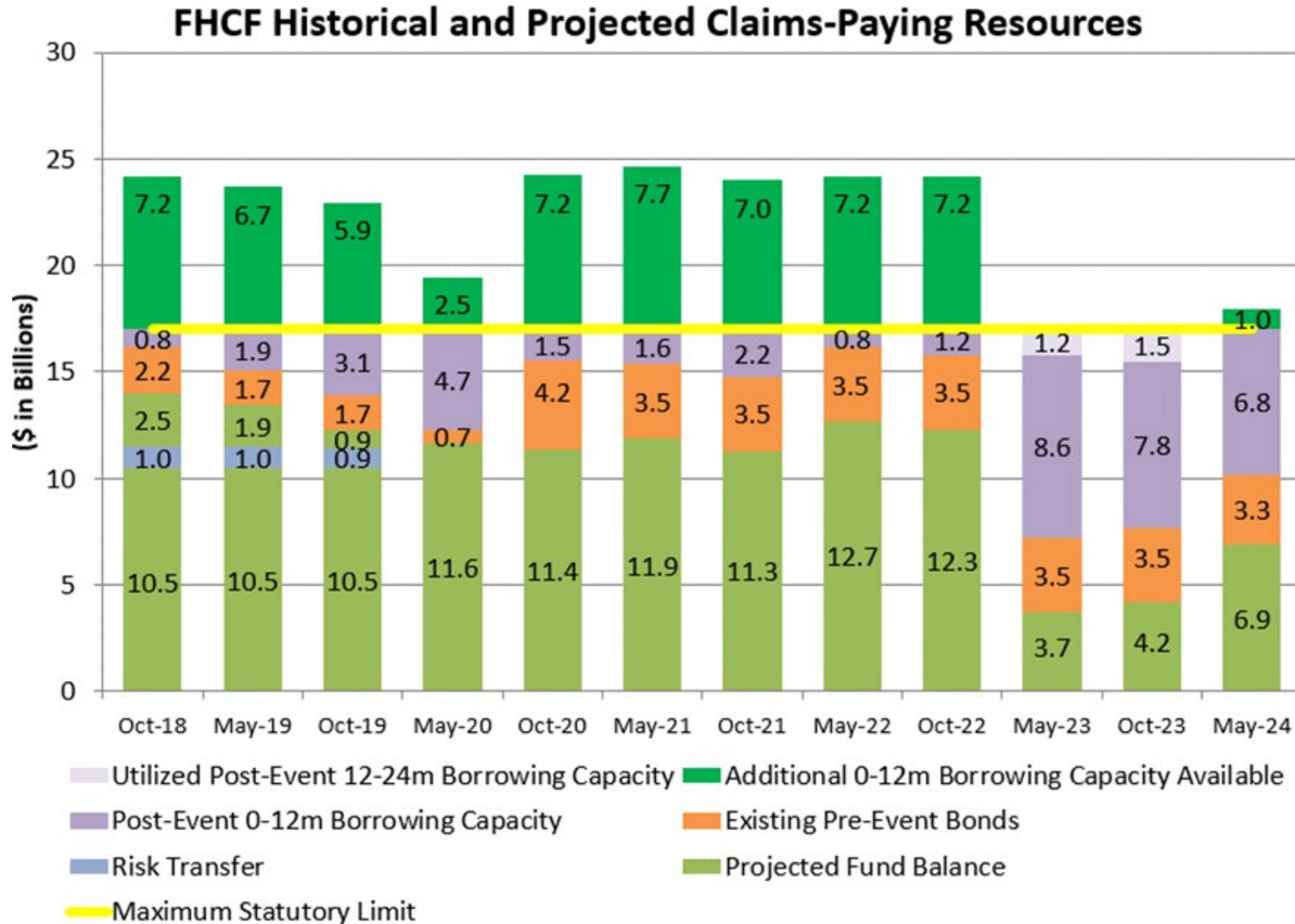
# TRENDED LOSS DATA

## FHCF 2024 Verisk & RMS Adjusted Simulated Losses: Gross Loss vs. FHCF Layer Loss

TRENDED EVENTS: 2004 CHARLEY, FRANCES, IVAN, JEANNE; 2005 DENNIS, KATRINA, WILMA; 2017 IRMA; 2018 MICHAEL; 2022 IAN



# HISTORICAL RESOURCES



# TWO TYPES OF FHCF FINANCING

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## Pre-Event Debt

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- Issued before a hurricane
- Taxable bonds only
- Primarily a source of liquidity to enable the FHCF to pay claims on a timely and sufficient basis
- \$14.0 billion issued to date

## Post-Event Debt

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- Issued following a hurricane that exhausts the cash balance
- Tax-exempt or taxable bonds may be used
- Primary source of revenue to repay the bonds: assessments on most property/casualty premiums
- Used to reimburse insurers for paid losses
- \$2.651 billion issued to date

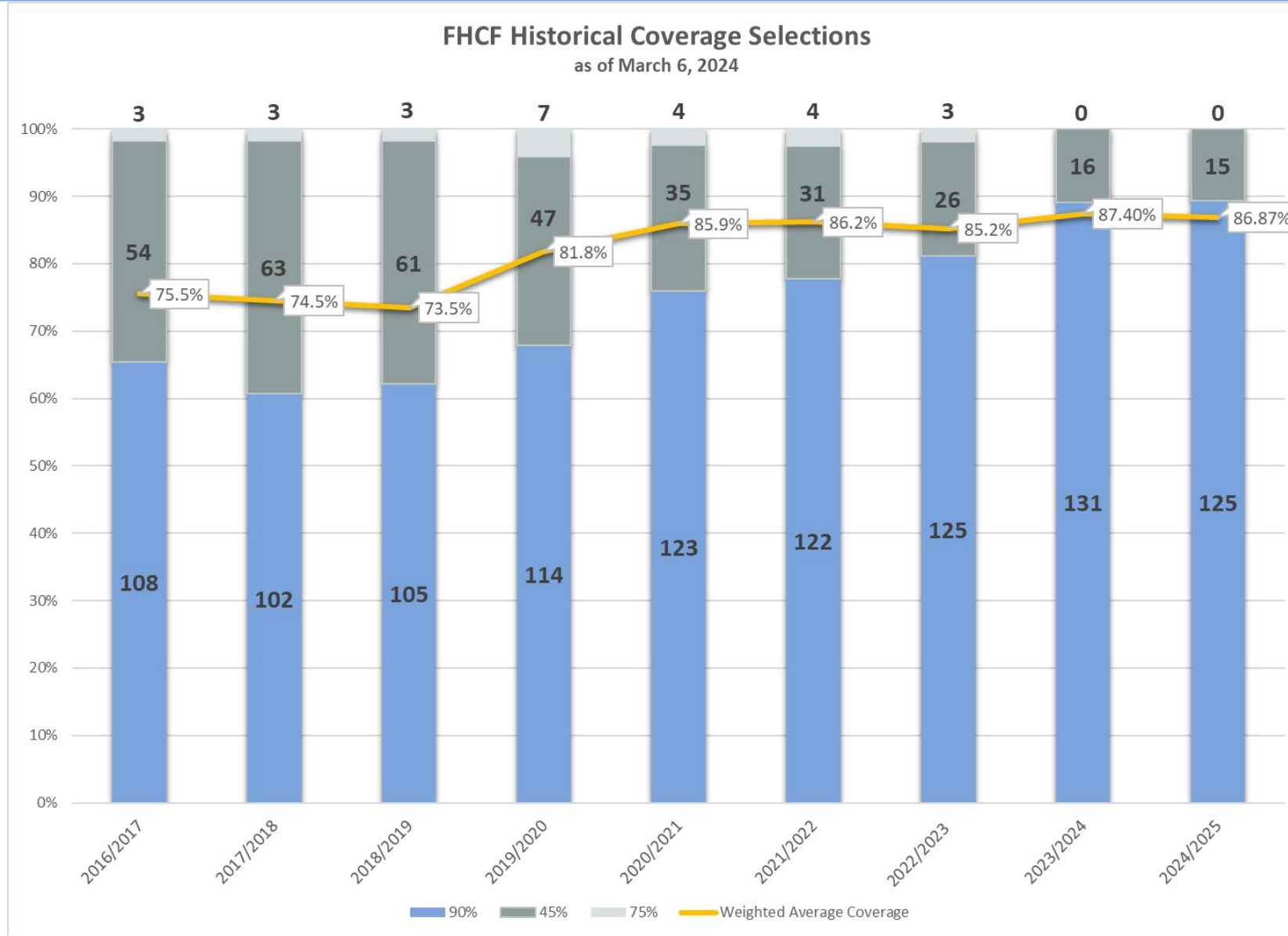
# OUTSTANDING DEBT

## Staggered maturities:

- Reduce market access risk
- Enhance liquidity
- Manage rollover risk and interest rate risk

Maturity Date	Series 2020A Pre-Event Bonds	Series 2024A Pre-Event Bonds	TOTAL
	Principal (\$ millions)	Principal (\$ millions)	
7/1/2025	\$1,250		\$1,250
7/1/2027	\$1,000		\$1,000
7/1/2030	\$1,250		\$1,250
7/1/2034		\$1,000	\$1,000
<b>Total</b>	<b>\$3,500</b>	<b>\$1,000</b>	<b>\$4,500</b>

# COVERAGE SELECTIONS



# FHCF HURRICANE LOSSES

## Summary of Reported Losses

As of April 30, 2024 (\$Billions)

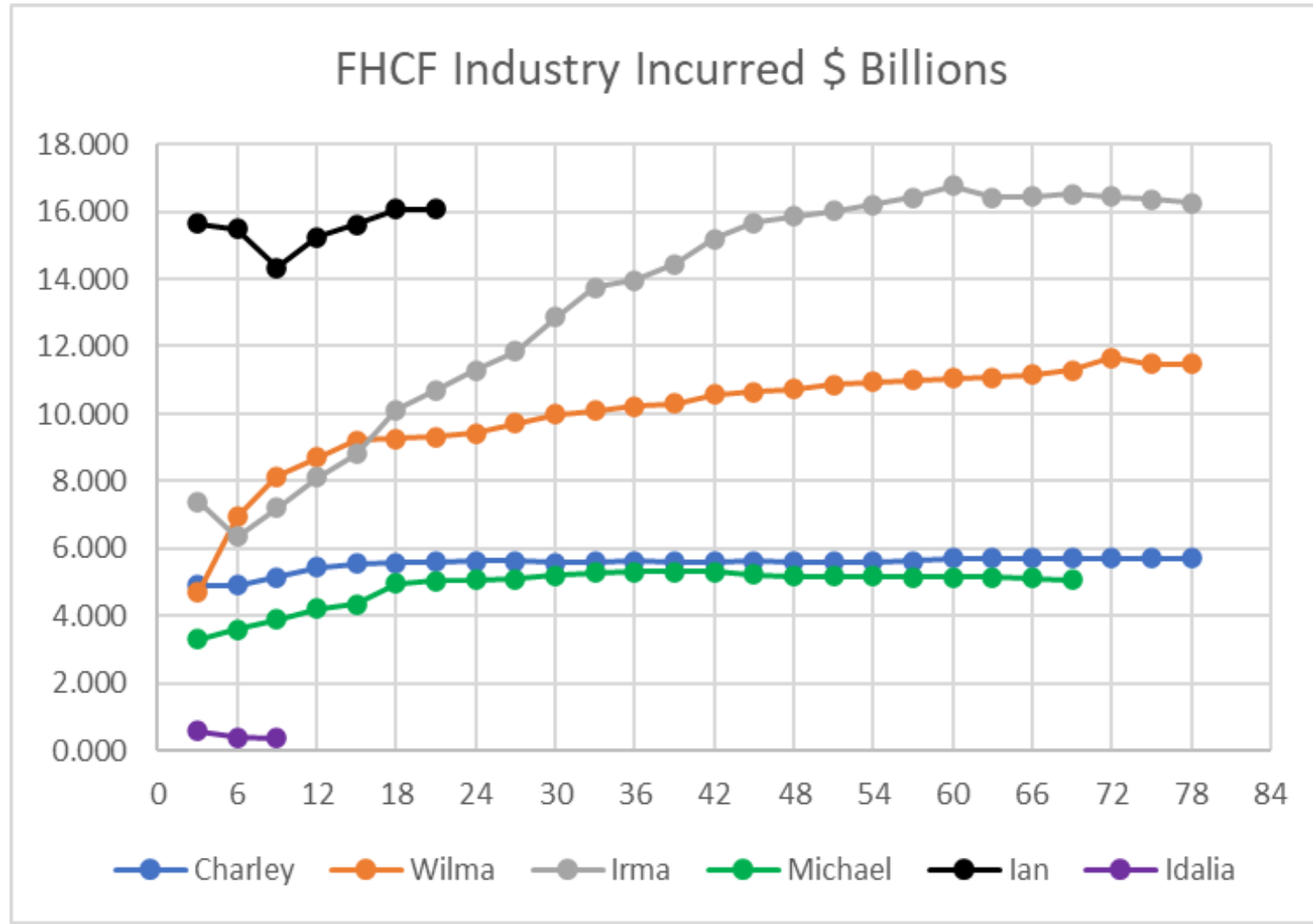
	Michael	Ian	Idalia	Total
<b>Projected Industry Ultimate Total Incurred Loss (prior to FHCF retention &amp; co-pay)</b>	\$5.30	\$21.81	\$0.53	<b>\$27.64</b>
<b>Projected FHCF Ultimate Total Incurred Loss</b>	\$1.31	\$9.50	\$0.02	<b>\$10.83</b>

## FHCF Paid Losses

As of April 30, 2024 (\$Billions)

Year	Covered Event	# of Insurers Paid to Date	# Insurers Expected to be Paid	Total Paid to Date
<b>2018</b>	Michael	38	39	\$1.15
<b>2022</b>	Ian	67	92	\$4.09
<b>2023</b>	Idalia	1	5	\$146K

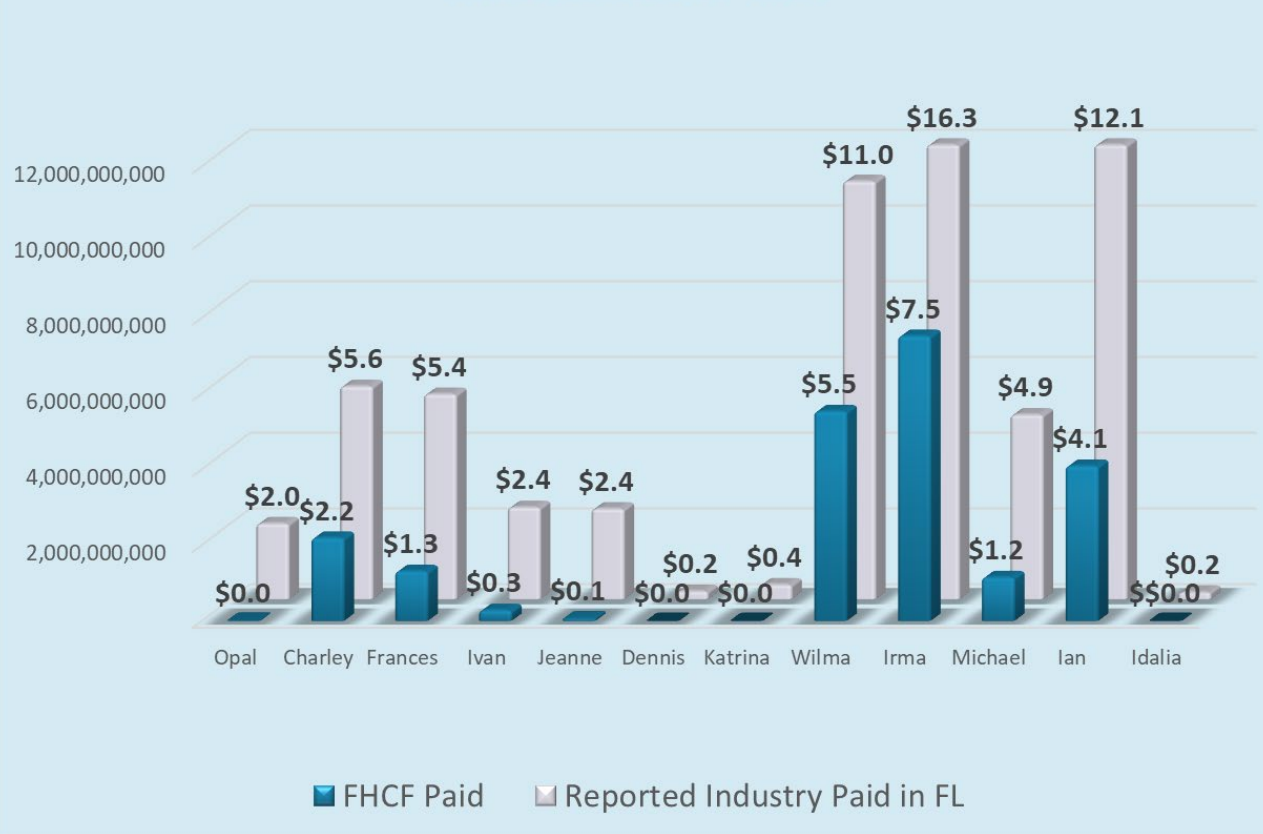
# HURRICANE LOSS REIMBURSEMENTS





# HURRICANE LOSS REIMBURSEMENTS

FHCF Losses Over Time



## Paid Losses by Hurricane

as of: 4/30/2024

	Name	Landfall	FHCF Paid	Reported Industry Paid in FL	% of Reported Paid In FL
1	Opal	10/4/1995	13,000,000	2,000,000,000	0.7%
2	Charley	8/13/2004	2,192,817,892	5,625,724,216	39.0%
3	Frances	9/5/2004	1,313,617,491	5,417,759,217	24.2%
4	Ivan	9/16/2004	283,602,146	2,427,257,517	11.7%
5	Jeanne	9/25/2004	69,262,522	2,388,968,705	2.9%
6	Dennis	7/10/2005	390,401	215,323,989	0.2%
7	Katrina	8/25/2005	149,992	387,786,477	0.0%
8	Wilma	10/23/2005	5,535,455,718	11,038,707,351	50.1%
9	Irma	9/10/2017	7,524,769,166	16,269,000,000	46.3%
10	Michael	10/10/2018	1,151,728,265	4,874,000,000	23.6%
11	Ian	9/28/2022	4,092,565,994	12,059,000,000	33.9%
12	Idalia	8/30/2023	146,147	189,000,000	0.1%
<b>Total</b>			<b>22,177,505,733</b>	<b>62,892,527,472</b>	

Does not reflect the total value of FL residential losses, as insurers do not report losses to the FHCF after they have reached their coverage limit.

# 2024 FHCF REIMBURSEMENT PREMIUM FORMULA

Brian Mittleberg, Director and Actuary, Paragon Strategic Solutions

Andrew Rapoport, Managing Director and Actuary, Paragon Strategic Solutions



# OVERVIEW

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- 1 Actuarially Indicated Premium (Adequate, Not Excessive, Not Unfairly Discriminatory)
- 2 Losses (Peril, Models, Exposure, Coverage, Post-Model)
- 3 Expenses (Operating, Liquidity, Risk Transfer)
- 4 Mitigation
- 5 Cash Build-Up
- 6 Allocation of Premium
- 7 2024 Rates
- 8 Questions

# ACTUARIALY INDICATED PREMIUM

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215.555, F.S.

(5)(a) Each reimbursement contract shall require the insurer to annually pay to the fund an **actuarially indicated premium** for the reimbursement.

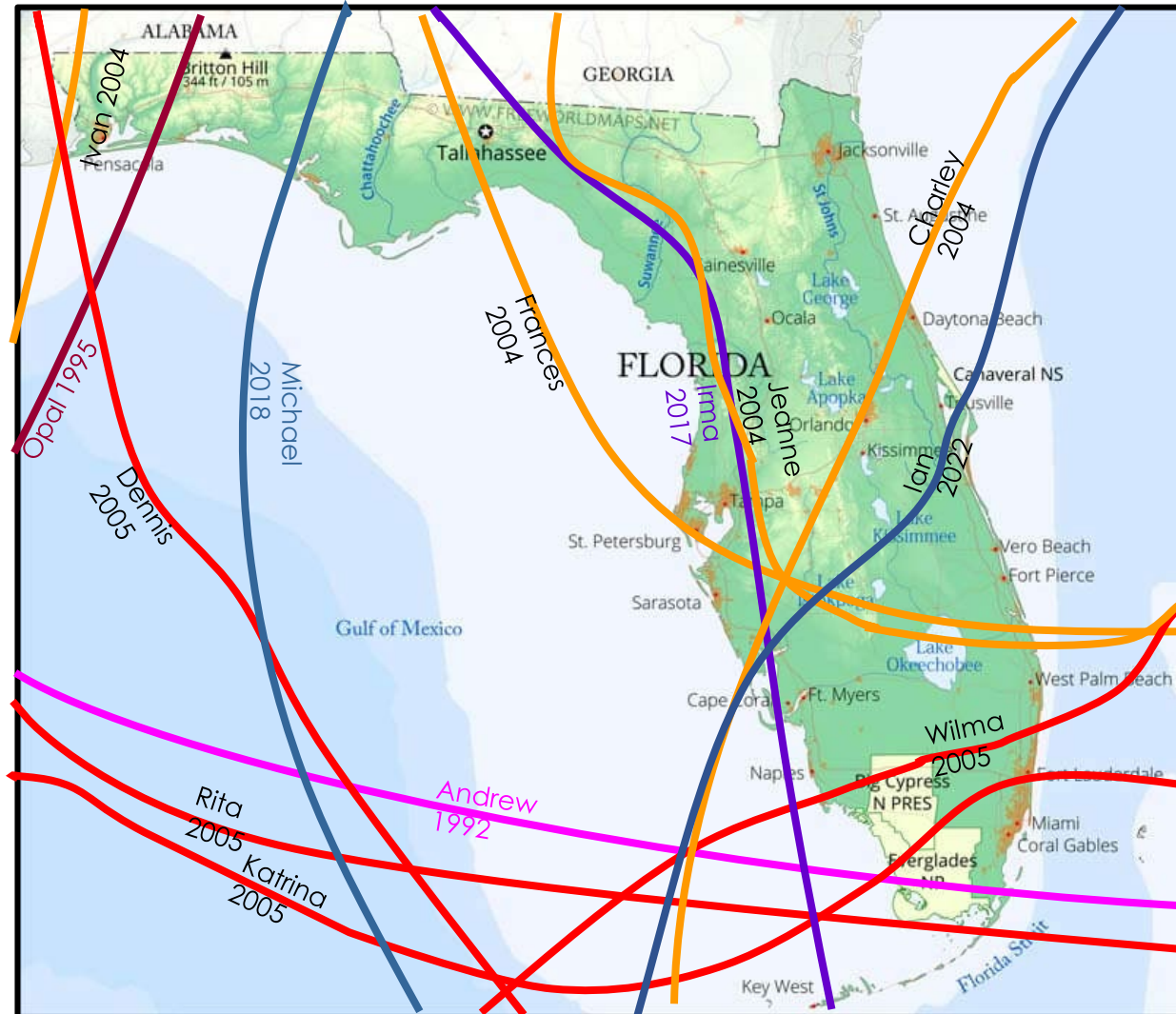
(2)(a) “Actuarially indicated” means, with respect to premiums paid by insurers, ... an amount determined according to principles of actuarial science to be **adequate, but not excessive**, in the aggregate, to pay current and future obligations and expenses of the fund, ... and ... to **reflect each insurer’s relative exposure to hurricane losses**.

## Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Insurance Ratemaking:

Principle 4 - A rate is **reasonable and not excessive, inadequate or unfairly discriminatory** if it is an actuarially sound estimate of all future costs associated with individual risk transfer.

- Peril
- Models
- Exposure
- Coverage
- Post-Model

# LOSSES: PERIL – HURRICANES: 1992-2022



# LOSSES: PERIL – HURRICANE DAMAGE



Wind



Projectiles



Roof tiles



Gravel from tops of buildings



Falling trees



Wind-driven rain



Storm surge

(Not covered by FHCF)



## Florida Commission on Hurricane Loss Projection Methodology

- Five Accepted Models Used in Ratemaking:



### Weighted Model Results:

- Median: 50%
- Ranks 2 & 4: 20%
- Highest & Lowest: 5%

# LOSSES: MODELS – EVENT PARAMETERS

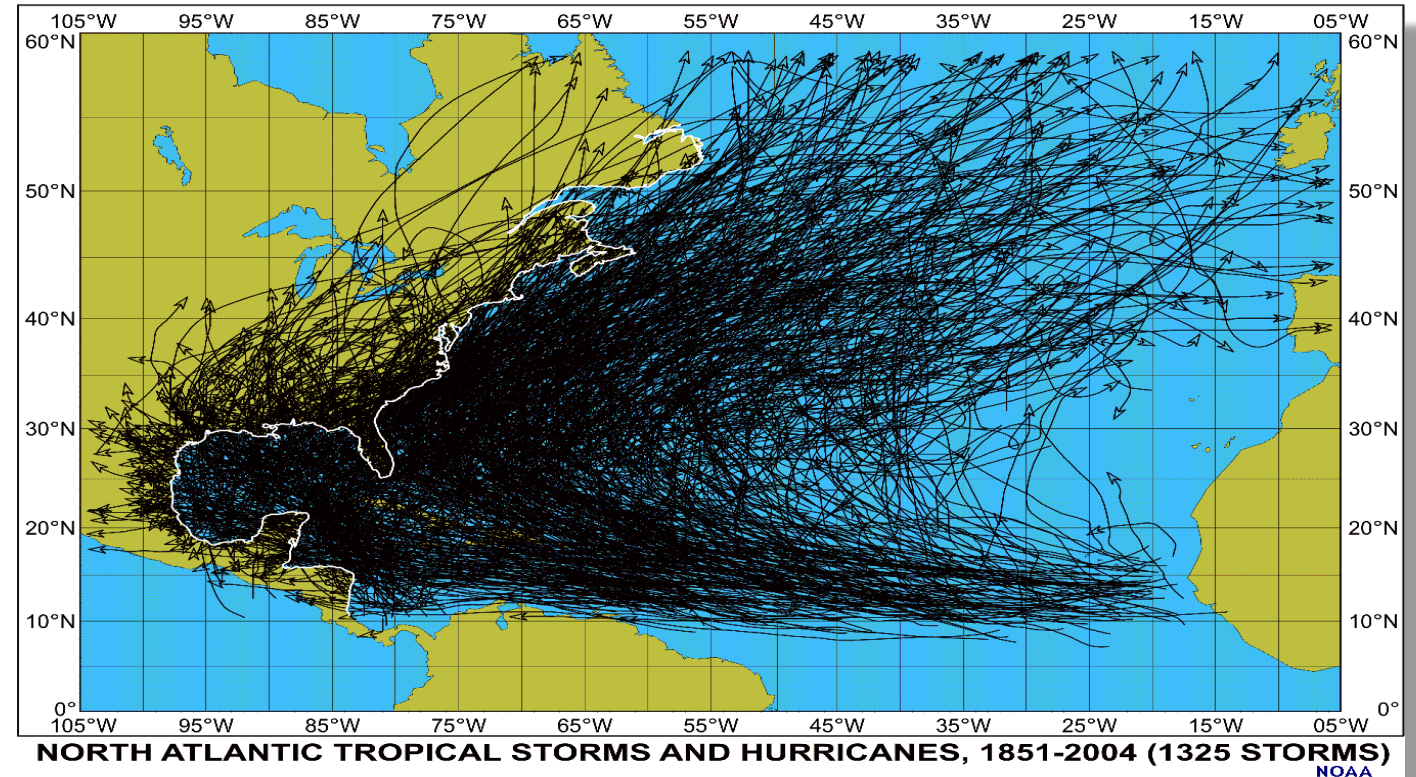
Storm  
Landfall  
Frequency

Track

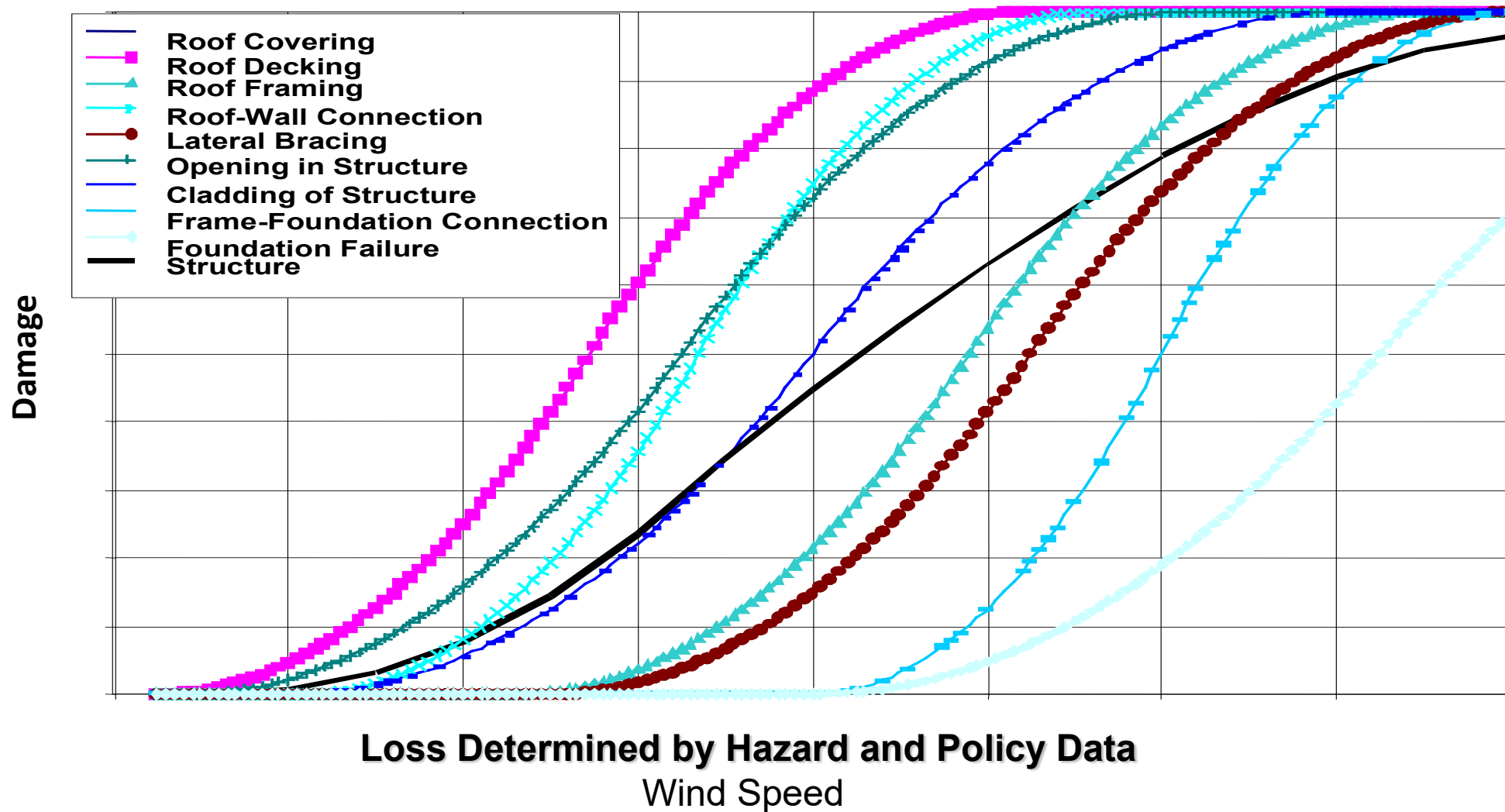
Minimum  
Central  
Pressure

Radius of  
Maximum  
Winds

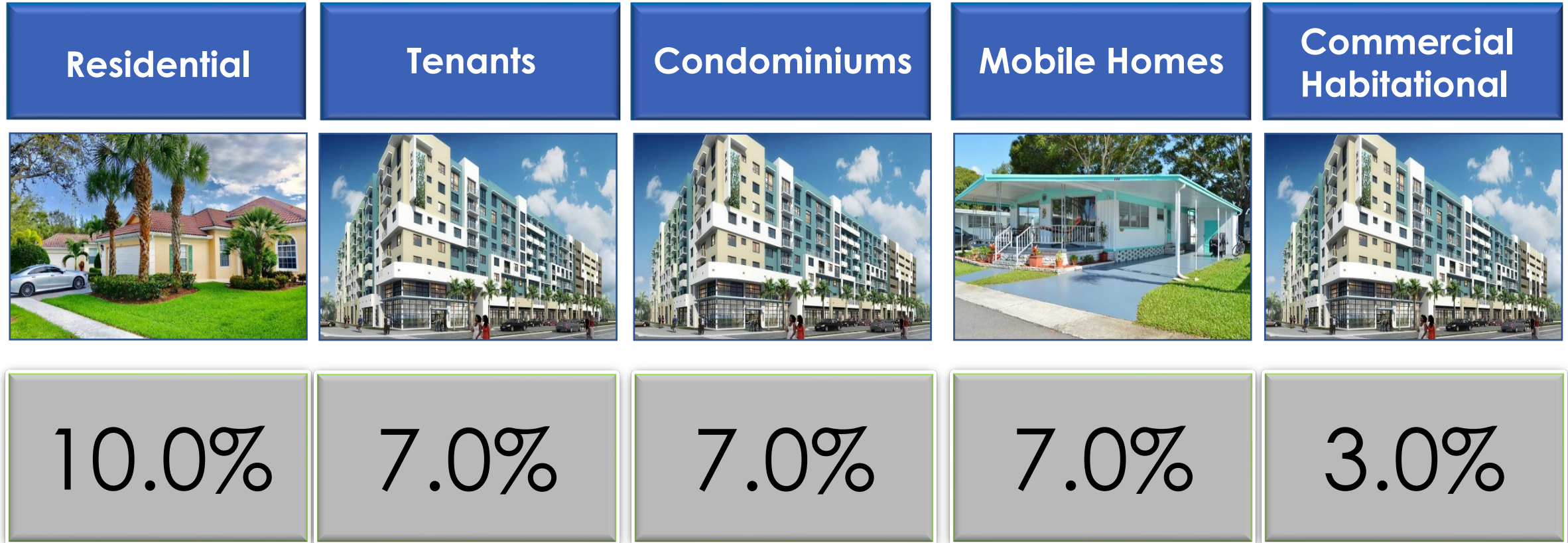
Parameters are  
correlated but not  
perfectly so



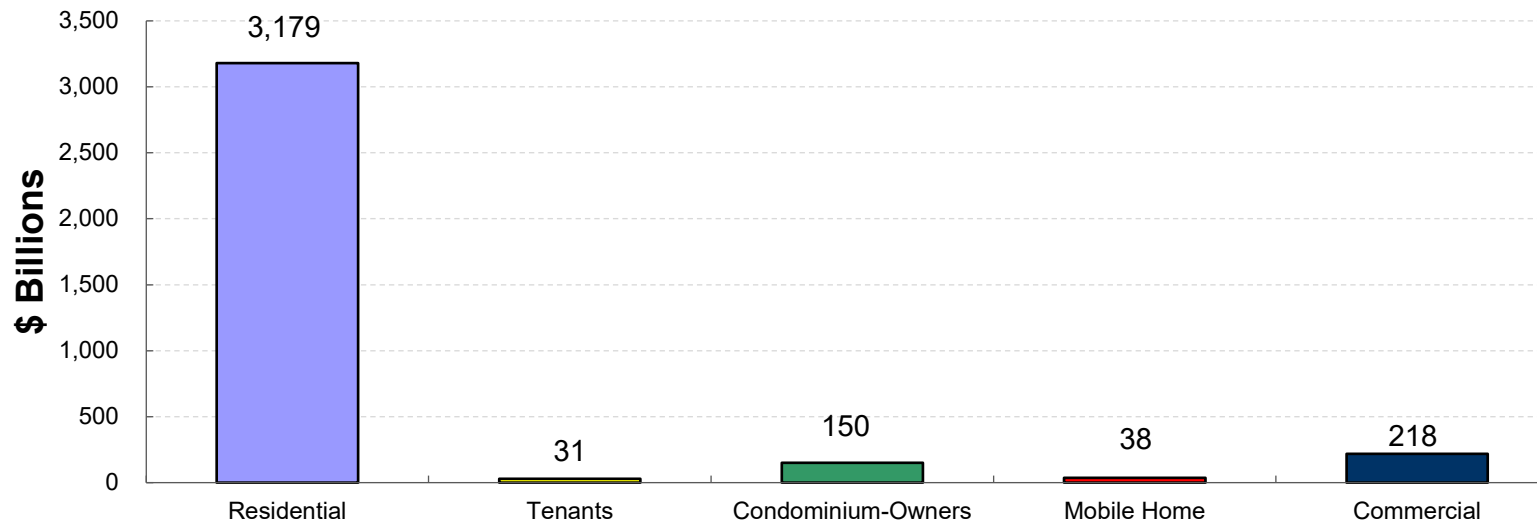
# LOSSES: MODELS – DAMAGE FUNCTIONS



# LOSSES: EXPOSURES – TRENDS (TO 2024)



## 2024 Trended Exposure (\$3.6 Trillion)



## Limit

- Set by statute at \$17 billion until there are sufficient resources for two seasons, limited to annual growth in the cash balance

- Includes 10% of FHCF layer loss for loss adjustment expense (LAE)

## Industry Retention

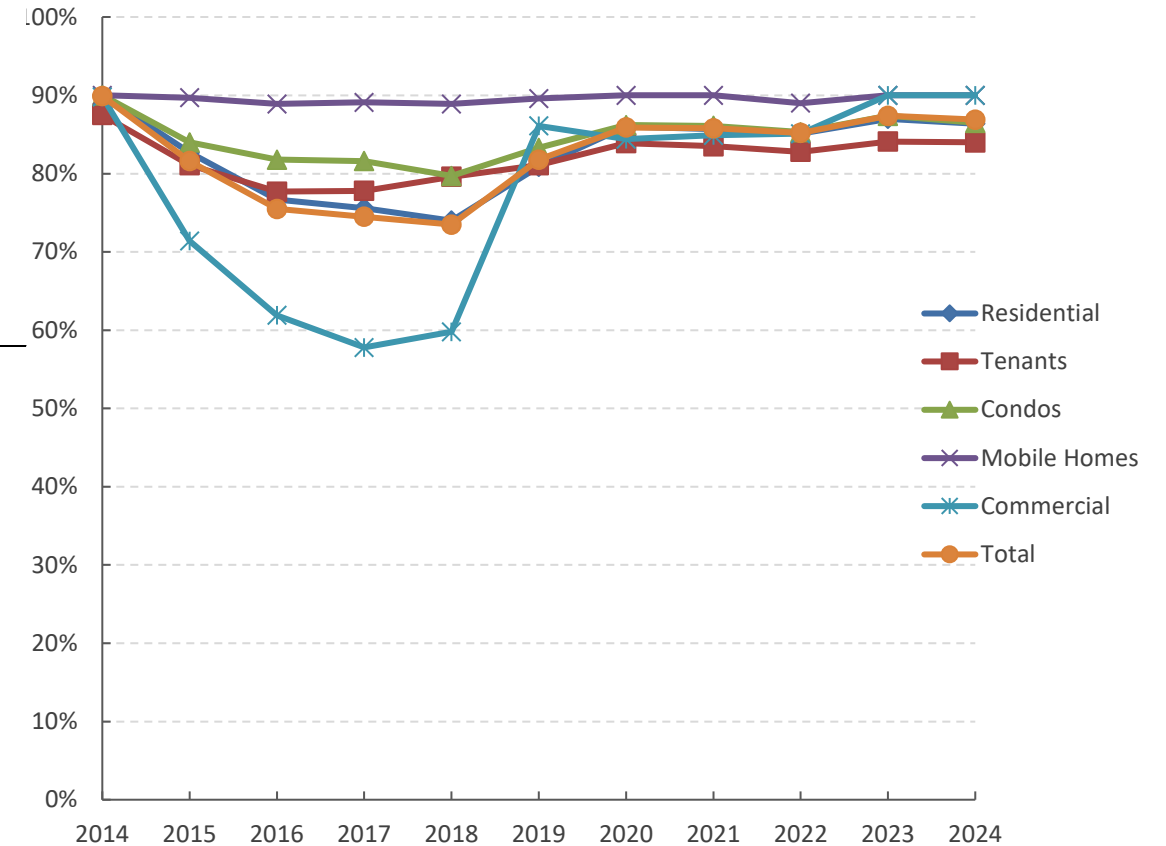
- Based on growth in reported exposures, projected to be \$9.929 billion for current Contract Year

# LOSSES: COVERAGE – INDUSTRY SELECTIONS

FHCF Coverage Selection Change by Type of Business

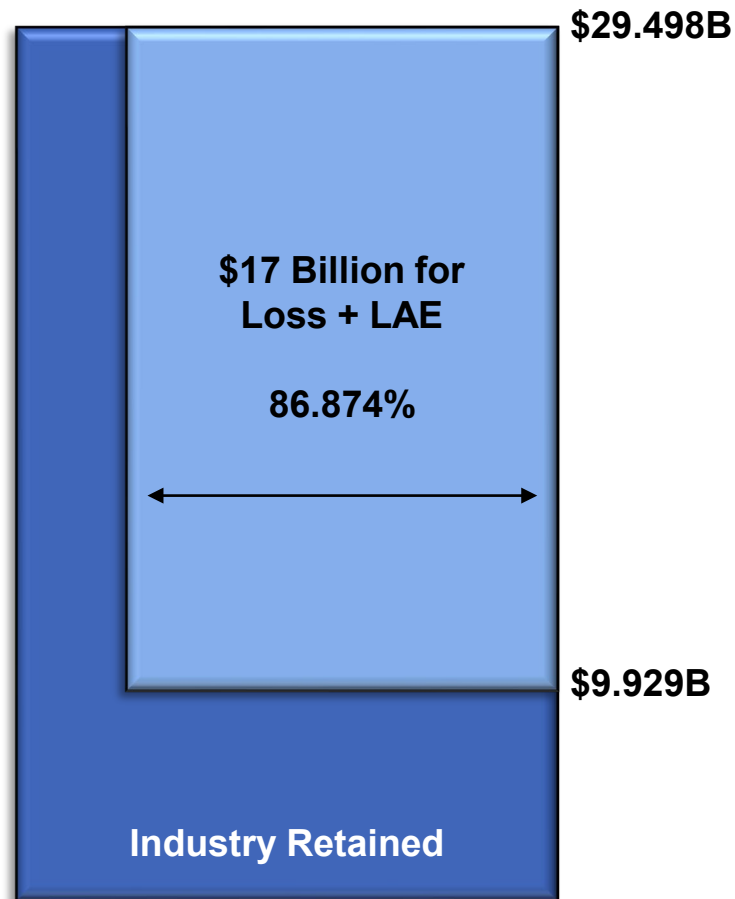
		Residential	Tenants	Condos	Mobile Homes	Commercial	Total
Actual	2014	90.0%	87.5%	90.0%	90.0%	89.8%	89.9%
Actual	2015	82.7%	81.1%	84.0%	89.7%	71.4%	81.6%
Actual	2016	76.7%	77.7%	81.8%	88.9%	61.9%	75.5%
Actual	2017	75.6%	77.8%	81.6%	89.1%	57.8%	74.5%
Actual	2018	74.0%	79.6%	79.7%	88.9%	59.8%	73.5%
Actual	2019	80.9%	81.1%	83.3%	89.6%	86.1%	81.8%
Actual	2020	86.0%	83.9%	86.2%	90.0%	84.4%	85.9%
Actual	2021	85.7%	83.5%	86.1%	90.0%	84.9%	85.8%
Actual	2022	85.1%	82.8%	85.3%	89.0%	85.1%	85.2%
Actual	2023	87.0%	84.1%	87.4%	90.0%	90.0%	87.4%
Projected	2024	86.4%	84.0%	86.5%	90.0%	90.0%	86.9%
Projected 2024/Actual 2023		-0.62%	-0.12%	-1.06%	0.00%	0.00%	-0.56%

FHCF Average Coverage Selection by Year





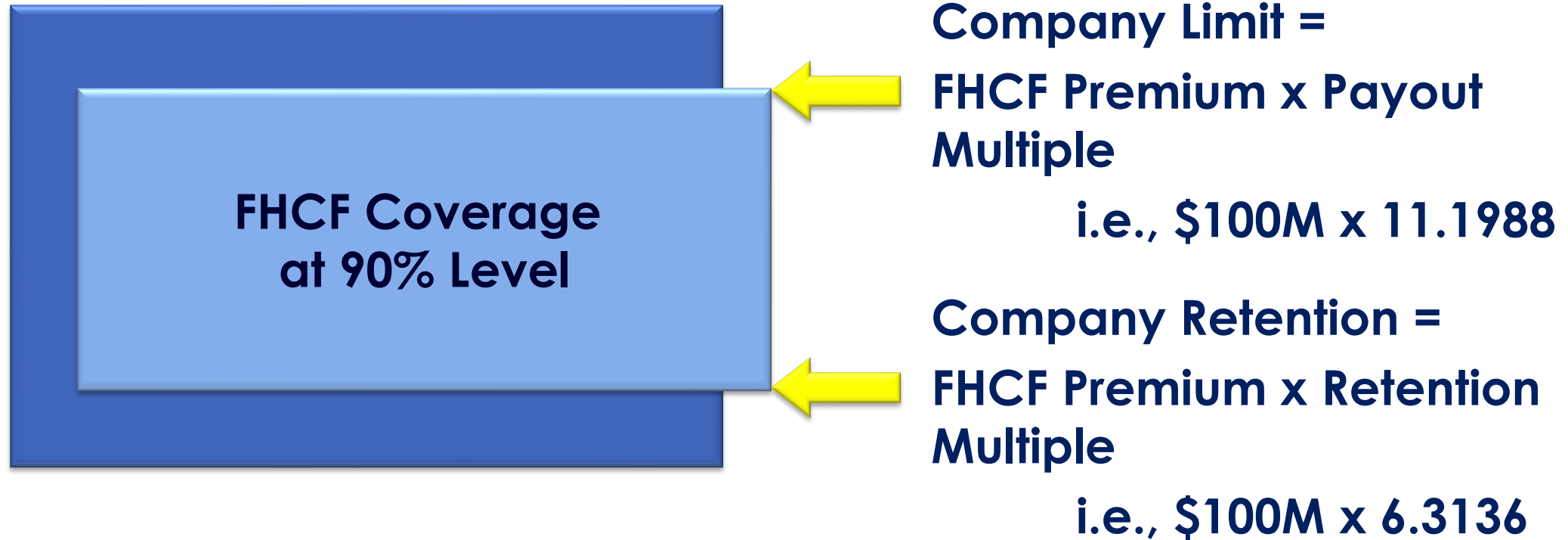
## 2024 Projected



# LOSSES: COVERAGE - COMPANY

**FHCF Industry Coverage: \$17.000B xs \$9.929B**

- Retention drops to 33% on 3<sup>rd</sup> largest event



# LOSSES: MODELED RESULTS – AVERAGE ANNUAL LOSS (\$B)

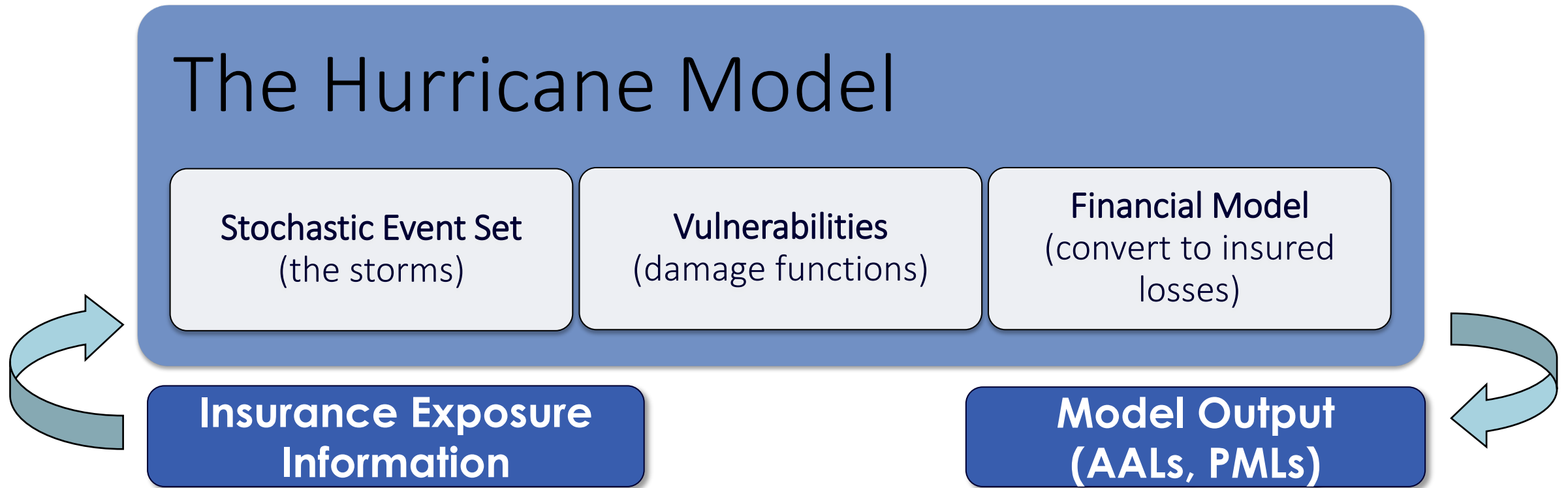
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	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>% Change</u></b>
Modeled Exposure	\$3,158	\$3,615	14.5%
Gross Losses	\$4.342	\$4.721	8.7%
FHCF Layer Losses	\$1.067	\$1.117	4.7%
Loss Cost per \$1,000	0.3380	0.3091	-8.6%

# LOSSES: MODELED RESULTS – RETURN TIMES

## Florida Hurricane Catastrophe Fund 2024 Ratemaking Formula Report FHCF Layer Loss Scenarios Revised 04/22/2024

	FHCF Layer Loss Scenario	FHCF Layer Loss (\$ in B)	Ground Up Losses for Average Verisk, RMS Portfolio Analysis (\$ in B)	Return Times (Yrs) for Aggregate Verisk, RMS Portfolio Analysis
1	\$1.0 Billion FHCF Layer	1.000	9.057	8.0
2	\$5.0 Billion FHCF Layer	5.000	16.206	13.1
3	Projected Fund Balance Exhausted	6.911	18.929	15.2
4	\$9.5 Billion FHCF Layer (Ian Level)	9.500	23.180	18.5
5	\$10.0 Billion FHCF Layer	10.000	24.238	19.5
6	Pre-Event 2020A and 2024A Bonds Exhausted	10.161	24.597	19.9
7	50 Year Event	16.187	48.597	50.0
8	100 Year Event	16.862	71.958	100.0
9	Maximum Statutory Limit	17.000	109.807	250.0



## Post-Model Adjustments

- Used to account for special insurance coverages and other factors not projected by models
- 2024 selection 5% or \$55.1 million

Operating

Liquidity

Risk Transfer

### Day to day expenses of FHCF



2024: \$12.1 million



# EXPENSES: LIQUIDITY

Expense incurred to increase FHCF liquidity

Difference between interest payments to bondholders and investment income on bond proceeds

## 2024 Charges

2020A: \$26.1 million for \$3.5 billion

2024A: \$19.1 million for \$1.0 billion

## Bonds Mature

2020A: 07/01/2025 - \$1.25 billion

2020A: 07/01/2027 - \$1.00 billion

2020A: 07/01/2030 - \$1.25 billion

2024A: 07/01/2034 - \$1.00 billion

# EXPENSES: RISK TRANSFER

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No risk transfer for 2024

Rates are produced assuming all mitigation is paid from investment income

- Per Florida Statute 215.555(7)(c)
- Funding can range from \$10 million to 35% of prior year's investment income
- No charge to premium
- For 2024, appropriation is \$10 million

# CASH BUILD-UP FACTOR

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2009 legislation phased in a Cash Build-up Factor

Fully phased in at 25% since 2013

2024 projected amount of \$303.6 million

## Rate Pages

- Type of Business
- Deductible
- Construction
- Territory

## Mitigation Factors



Year Built



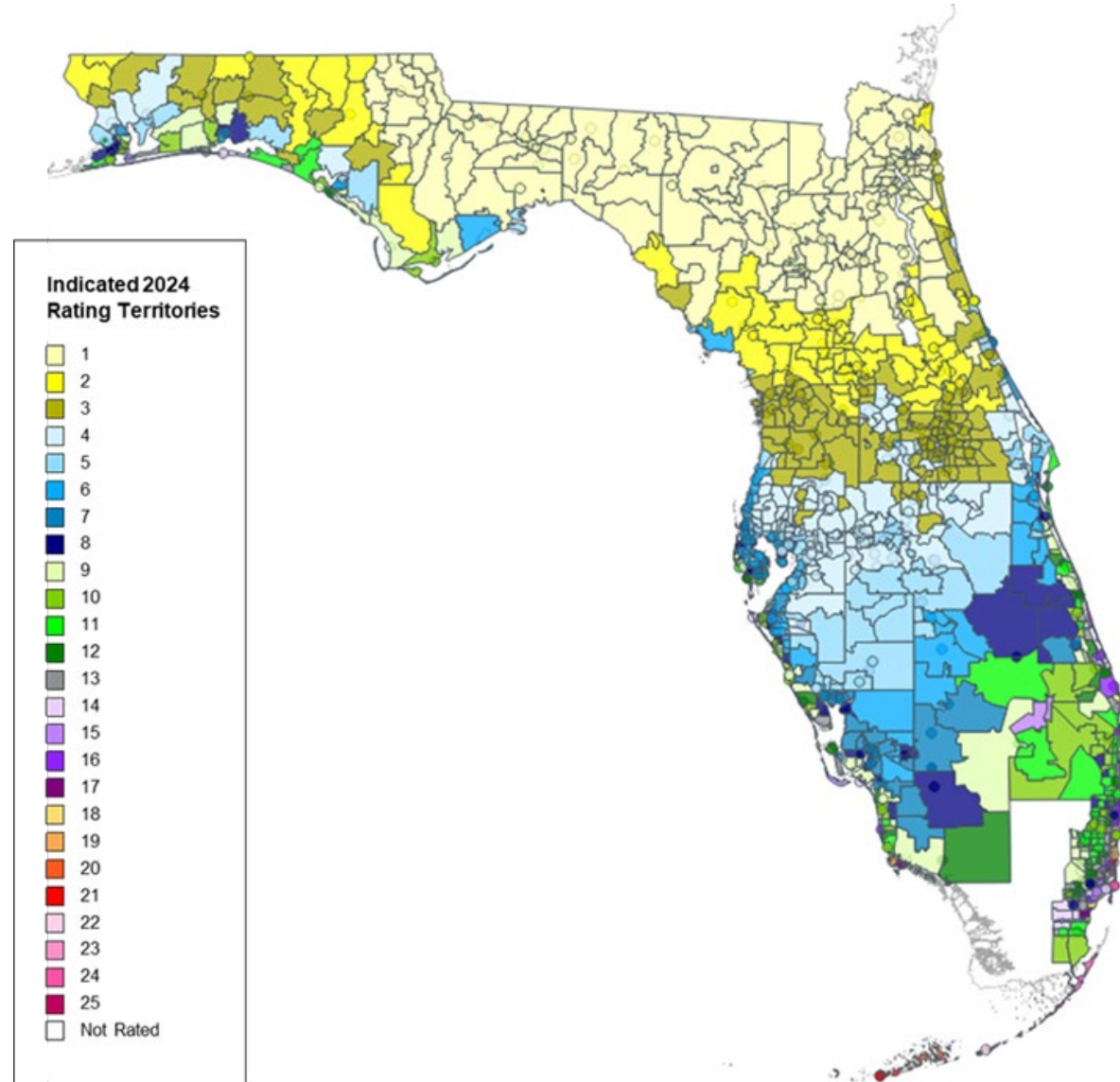
Opening Protection



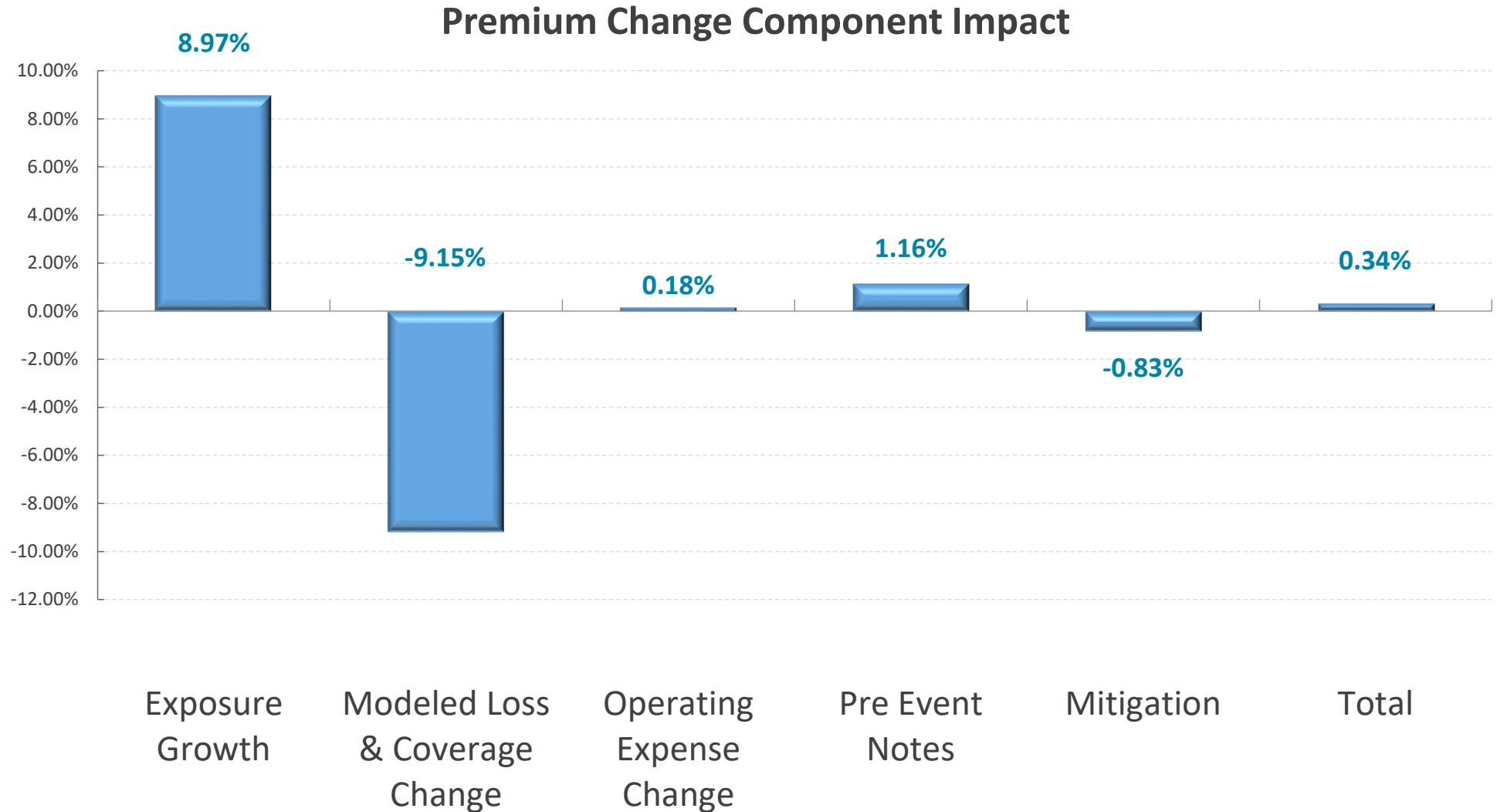
Roof Shape

## Total Insured Value

# ALLOCATION OF PREMIUM *(Continued)*



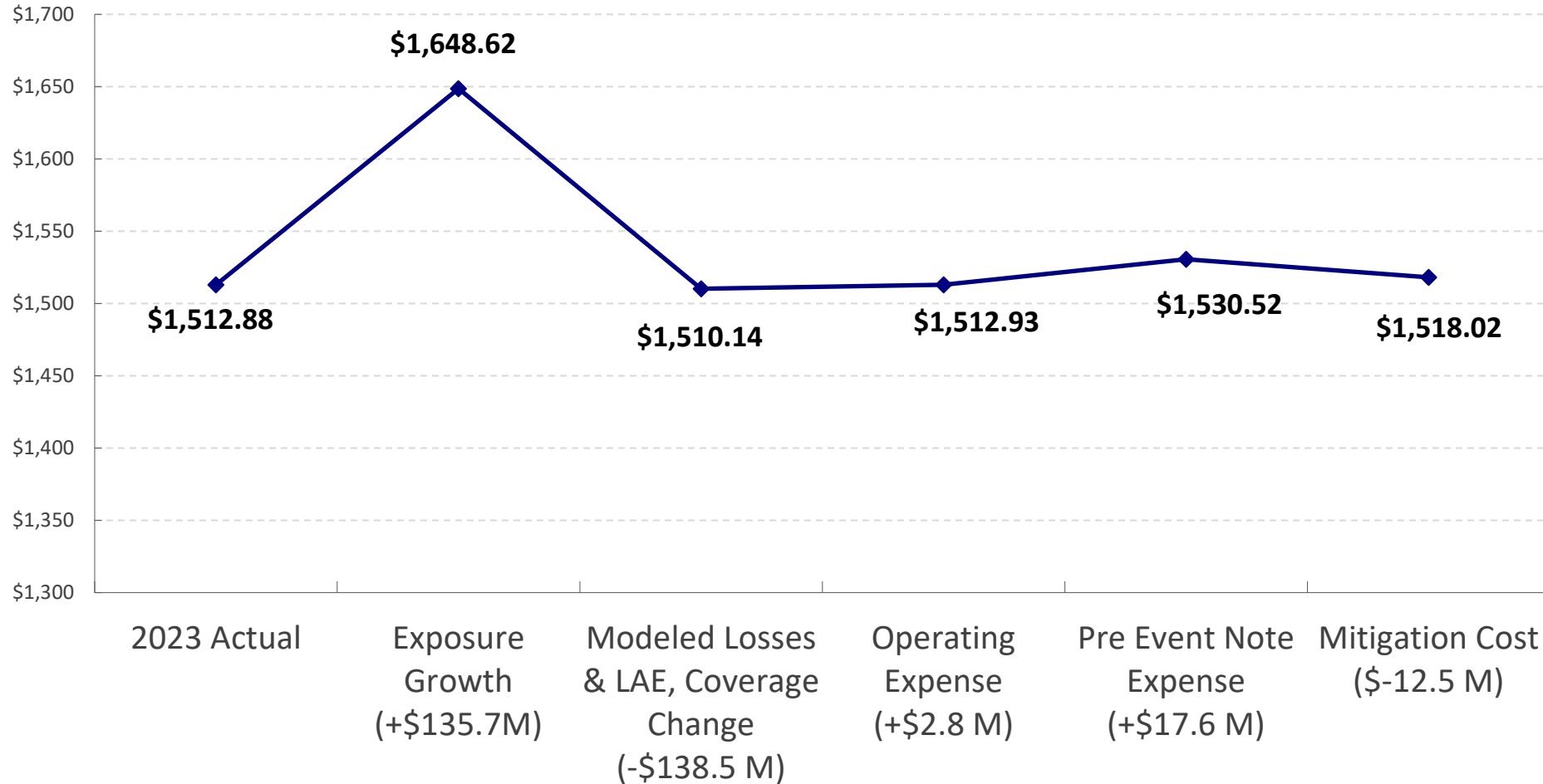
# 2024 RATES - % CHANGE





# 2024 RATES - \$ CHANGE

## Components of 2024 Premium Change 0.34%



# 2024 RATES - RETENTION, LIMIT, COVERAGE

	2023 Actual	2024 Proposed
<b>FHCF Retention</b>	\$9.067 B	\$9.929 B
<b>FHCF Limit</b>	\$17.000 B	\$17.000 B
<b>FHCF Premium</b>	\$1.513 B	\$1.518 B
<b>Coverage</b>	87.362%	86.874%
<b>Payout Multiple</b>	11.7254 *	11.1988
<b>Retention Multiples for FHCF Coverage Selections</b>		
<b>90%</b>	6.0732	6.3136
<b>75%</b>	7.2878	7.5763
<b>45%</b>	12.1464	12.6271

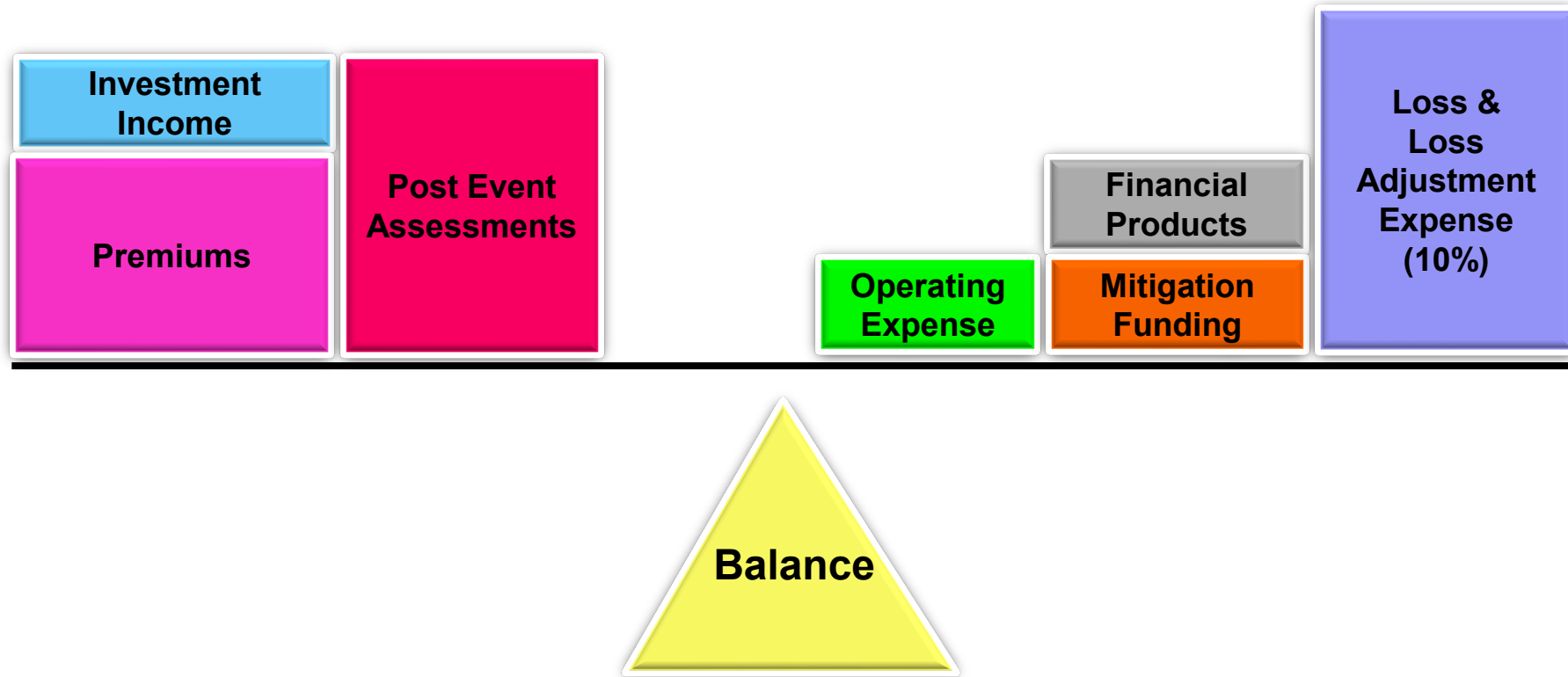
\*Payout multiple based on 12/31/2023 premium of \$1.45 B

# 2024 RATES - CHANGES BY TYPE OF BUSINESS

## Coverage, Rate, Exposure and Premium Changes by Type of Business

Type of Business	90% Rate	Coverage %	Avg. Rate	Exposure	Premium
Residential	-9.53%	-0.62%	-10.09%	10.00%	-1.10%
Tenants	-9.78%	-0.12%	-9.89%	7.00%	-3.58%
Condos	1.50%	-1.06%	0.43%	7.00%	7.46%
Mobile Home	-10.10%	0.00%	-10.10%	7.00%	-3.81%
Commercial	6.06%	0.00%	6.06%	3.00%	9.24%
<b>Total</b>	<b>-7.74%</b>	<b>-0.56%</b>	<b>-8.25%</b>	<b>9.37%</b>	<b>0.34%</b>

## Where Does the FHCF Get Its Funds? Where Do They Go?



# QUESTIONS

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# BREAK



What amount is the highest one-week reimbursement issued from the FHCF for losses associated with Hurricane Ian?

- A. \$105,654,522.85
- B. \$96,285,646.04
- C. \$317,146,095.96
- D. \$526,809,336.43

What year did the National Hurricane Center start giving names to hurricanes?

A. 1950

B. 1945

C. 1928

D. 1960



What North Atlantic hurricane holds the lowest pressure record?

- A. Andrew
- B. Donna
- C. Katrina
- D. Wilma - 882 millibars

What is the longest time span without a hurricane making landfall in Florida since 1900?

- A. 5 years
- B. 11 years - 2005 (Wilma) to 2016 (Hermine)
- C. 10 years
- D. 13 years

# FHCF REPORTING CHANGES

Martin Helgestad, Senior Managing Director, Paragon Strategic Solutions



## **Age of Roof** has been added as field #13

- Report the year the roof was (a) originally installed or (b) fully replaced in its entirety.
- Data collection field for 2024; will not be a 2024 rating factor.

## **Roof Covering** has been added as field #14

- Data collection field for 2024; will not be a 2024 rating factor.

A company's data capture date related to resubmissions has changed.

Previously, when making a resubmission (e.g., resubmission on 5/1/2024), transactions processed after the original capture date (e.g., 8/25/2023) had to be included in the resubmission.

Beginning with the 2024 Data Call, transactions processed after the original capture date should not be included in a resubmission unless:

- Approved in advance by the FHCF, or
- Required by the FHCF

## Article VI – Exclusions

- Subsection (17): The exclusion for liability of the company for extra contractual obligations or liabilities in excess of the policy limits was updated to clarify that interest, not just penalties, is also excluded.

## Article X – Reports and Remittances

- Subsection (2)(b): Changes pertain to companies for which oversight has been transferred to a court appointed receiver.
- Subsection (3)(b)2: Clarification that FHCF reimbursements are issued based on reported paid Ultimate Net Loss.

## Article XI – Commutation

- Subsection (3)(c): If a company and the SBA cannot agree upon the present value of outstanding losses, they may mutually appoint an actuary to determine the present value; the option of a mutually appointed adjuster or appraiser has been eliminated.

## Article XVI – Insolvency of the Company

- Change pertains to requirements prior to issuance of reimbursements to the Florida Insurance Guaranty Association.



# WIRE REPORTING CHANGES

Patti Elsbernd, Manager of FHCF Exam Programs, FHCF



## Minimal changes in 2024

### File Type Selections

- Direct
- Assumed Citizens

### New Validations

- Age of roof
- Roof covering



# CLAIMS EXAM ESSENTIALS

Tim Butler, Director of Examinations, FHCF



## Purpose

- To ascertain compliance with the reporting requirements of the FHCF
- Intended to be an educational process
- Assist companies with reporting claims accurately so the FHCF can maintain timely reimbursements and reduce the likelihood of excess reimbursement

## Focus

- To verify reported claims are covered by the FHCF and reported accurately
  - Losses are on policies covering Florida residential property
  - Hurricane losses covered, not other perils such as non-hurricane wind, fire, or flood
  - Reported claims are on policies or coverages that are not excluded
  - Reported losses are not overstated

## Claims Exams

- Contract Year 2022 – Ian exams began in December 2023
- The FHCF will conduct RAP claims exams on behalf of the SBA
  - If a company has both RAP and FHCF recoveries, only one exam will be conducted
  - If a company only has RAP recoveries, a RAP only exam may be conducted
- In total, the FHCF will conduct about 70 claims exams for Contract Year 2022 – Ian and Contract Year 2023 - Idalia
- All Contract Year 2022 and 2023 claims exams to be completed by December 2027
- Claims exams are being performed by contract examiners

Claims exams are performed in phases:

- Planning – begins with the exam notice at least 60 days prior to the start date of the exam
- Testing – begins on the exam start date and continues for about two weeks
- Wrap-up – begins after the testing phase is concluded and can take one month or more depending on the exam findings and whether an updated Proof of Loss is required

Looking ahead

- Loss development reviews may be performed in the future if post exam losses develop materially

# IMPACT OF REPORTING ERRORS

Kathy Mackenthun, Managing Director, Paragon Strategic Solutions



Errors in Data Call can have a large financial impact:

- Premium increase/decrease
- Interest charge
- Resubmission fees
- Hold on reimbursements
- Six-fold impact on retention at 90%
- Eleven-fold impact on FHCF payout



# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

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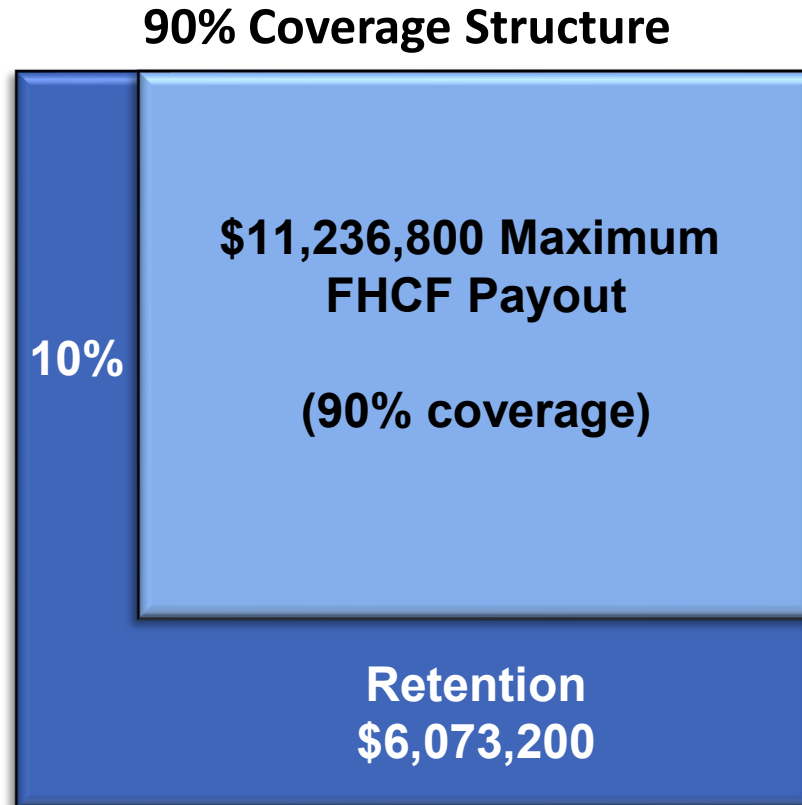
Depending on where your losses are within the layer and whether you have a premium increase or decrease, you may receive additional reimbursements, or you may have an excess reimbursement due to a resubmission of exposure data.

Example based on initial 2023 Data Call:

- 90% Coverage
- Retention Multiple = 6.0732
- Payout Multiple = 11.2368
- Premium = \$1M
- Retention = \$6.0732M
- Maximum Payout = \$11.2368M

# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

Example: Total Paid Hurricane Idalia Loss = \$17.0M



Reimbursement Calculation:

17,000,000 paid loss

-

6,073,200 retention

X

90% coverage

+

10% LAE

=

**\$10,817,532**

# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

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Assume an exposure exam results in a resubmission and new premium of \$900,000:

- Retention = \$5.467M
- Maximum Payout = \$10.113M
- Paid Loss still \$17.0M

# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

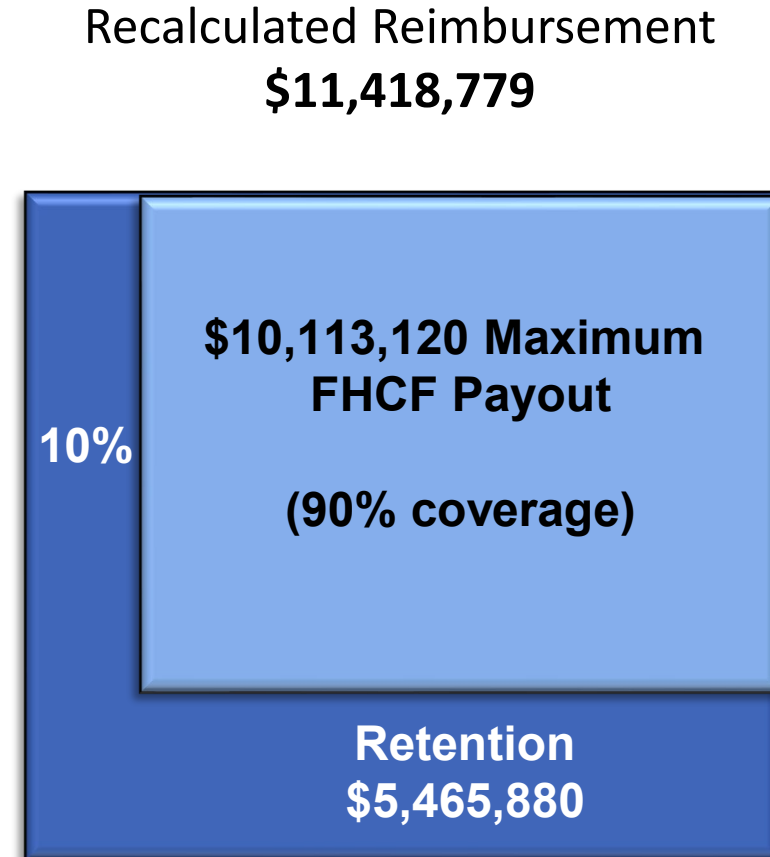
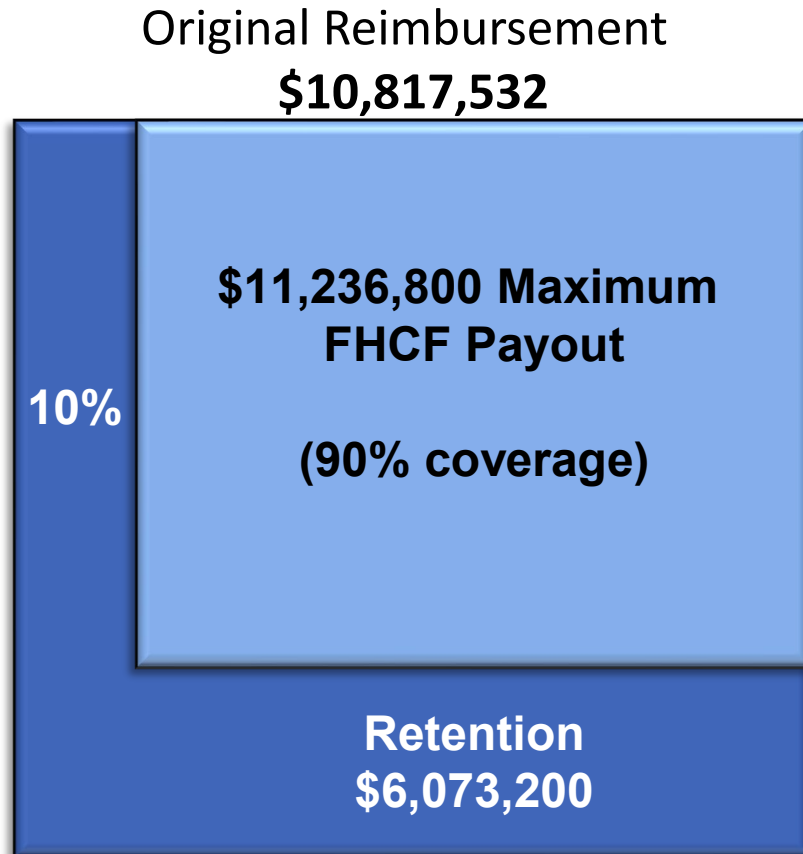
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Recalculated Reimbursement based on new FHCF coverage:

$$\begin{aligned} & \$17,000,000 \text{ paid loss} \\ & \quad - \\ & \$5,465,880 \text{ retention} \\ & \quad \times \\ & 90\% \text{ coverage} \\ & \quad + \\ & 10\% \text{ LAE} \\ & \quad = \\ & \mathbf{\$11,418,779} \end{aligned}$$

# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

## The Impact:



# IMPACT OF DATA CALL RESUBMISSIONS ON REIMBURSEMENTS

## Excess Reimbursement:

Original Reimbursement:	\$10.818M
Reimbursement based on new coverage:	\$11.419M
Difference:	\$601,000

- **HOWEVER**, maximum payout = \$10.113M
- **THEREFORE**, excess reimbursement of \$705,000 due back to FHCF plus interest  
( $\$10.818\text{M} - \$10.113\text{M} = \$705,000$ )

Claims reporting errors can also have a financial impact:

- Excess reimbursement
- Interest charged from date of reimbursement through due date
- Possible hold on reimbursements



# IMPACT OF CLAIMS REPORTING ERRORS ON REIMBURSEMENTS

Using our example with a \$705,000 excess reimbursement:

Reimbursements	Date Reimbursement Received	Excess Reimbursement	Due Date	Number of Days	2023 Interest Rate	Interest Charged
\$500,000.00	10/15/23	\$500,000.00	06/15/24	245	2.51%	\$8,423.97
\$100,000.00	11/15/23	\$100,000.00	06/15/24	214	2.51%	\$1,471.62
\$105,000.00	12/15/23	\$105,000.00	06/15/24	184	2.51%	\$1,328.58
<b>Total</b>		<b>\$705,000.00</b>				<b>\$11,224.17</b>

Total Due to FHCF: \$716,224.17

# GETTING YOUR REIMBURSEMENT

Joel Meyer, Manager of Financial Operations, FHCF



[This Photo](#) by Unknown author is licensed under [CC BY-NC-ND](#).

## Overview

- Reimbursements are issued weekly via ACH
- Setup of ACH required for each new participant and any subsequent changes
- Information is on-boarded using DocuSign

## Requirements and Common Errors in ACH Setup

- Requirements for setup
  - Two (2) officers on the most recently filed financial statement jurat page
  - Participant's provide bank account and the bank's **ACH** routing number
- Common errors in ACH setup
  - FHCF cannot verify officer
  - Participant provided wire routing number

# WHERE TO FIND WHAT YOU NEED ON THE FHCF WEBSITE

Toma Wilkerson, Director of Operations, FHCF



### Company Resources

Review information and documents organized by contract year, and access online reporting links

### Advisory Council

Membership, meeting calendar, materials, and live broadcast information

### News

Stay up to date on current events and announcements

### About the FHCF

Staff directory, reports, and additional resources

### Bonding Program

Bonding capacity estimates and information about investor relations

### Rules

Review annual rulemaking activity

Documents and Reporting Forms

FHCF Wire

Online Claims

New Companies

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Proposed Rules

General Rules

Rules by Contract Year »

## FHCF Rules

Each year, the FHCF

adopts the Reimbursement Contract, data reporting forms and instructions for participating insurers, and the formula for determining premiums to be paid by those insurers. The Reimbursement Contract, data reporting forms and instructions for participating insurers, and the formula for determining premiums to be paid by those insurers are included in the State Board of Administration's [Annual Regulatory Plan](#). General rules are also adopted on an as needed basis.

### Rules By Contract Year

SELECT YEAR ▾



Proposed Rules



General Rules

## Proposed Rules

[2024/2025 Rule 19-8.028 - Reimbursement Premium Formula](#)

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Advisory Council Members

Meeting Calendar

Meeting Materials By Year »

## Advisory Council

The Florida Hurricane Catastrophe Fund consists of nine members, appointed by the SBA Trustees, who provide information and advice to the FHCF.



## Meeting Materials By Year

SELECT YEAR ▾

You can request to speak at any meeting by submitting a Speaker Request Form at least two business days prior to the meeting.

[Speaker Request Form](#)

The next Webinar meeting is scheduled as follows:

May 16, 2024 1:30 PM

Phone Number: 1 (872) 242-7651 Conference Code: 928-883-968# (Audio Only)

[Click here to join the meeting](#)

Reports

Investor Relations

Municipal Advisor Representation



REPORTS

INVESTOR RELATIONS

MUNICIPAL ADVISOR REPRESENTATION

The State of Florida Hurricane Catastrophe Fund Corporation (Corporation) serves as a conduit issuer for the FHCF and facilitates the issuance of revenue bonds. This debt can be issued on either a pre-event or post-event basis. The proceeds of debt issued by the Corporation are primarily used to either provide liquidity to enable the FHCF to meet future reimbursement obligations (pre-event), or to fulfill reimbursement obligations after a covered event when the cash balance of the FHCF is insufficient (post-event). To date, the Corporation has issued \$13.0 billion in pre-event debt and \$2.65 billion in post-event debt.

The Corporation is governed by a five-member Board of directors which consists of the Governor, Chief Financial Officer and Attorney General of the State of Florida, the Director of the Florida Division of Bond Finance, and the Chief Operating Officer of the FHCF.

The current officers of the Corporation are listed below:

- Gina Wilson, President
- Joel Meyer, Treasurer
- John Brenneis, Secretary

## Reports

[Bonding Capacity Estimates](#)[Annual Reports](#)[Audited Financial Statements](#)[Probable Maximum Loss \(PML\) Reports](#)

# About the FHCF

The Florida Hurricane Catastrophe Fund (FHCF) is a tax-exempt state trust fund that provides reimbursements to residential property insurance companies for a portion of their catastrophic hurricane losses in Florida. The FHCF is under the direction and control of the State Board of Administration (SBA) and operates exclusively for the purpose of protecting and advancing the state's interest in maintaining insurance capacity in Florida.

Participation in the FHCF is mandatory for all residential property insurance companies doing business in Florida, and each company is required to enter into a reimbursement contract with the FHCF. The coverage provided by the FHCF is similar to private reinsurance (with several significant differences) but at a lower cost than private market prices. In general, the FHCF covers a percentage of the company's insurance losses in excess of their "retention" (similar to a deductible), up to a maximum payout.

The FHCF is designed to be self-supporting (except in extraordinary situations) and funded only with premium revenues paid by residential property insurance companies, investment income, and in some circumstances, revenue bonds backed by emergency assessments on most types of property and casualty insurance premiums.

In addition, the FHCF is responsible for staffing the [Florida Commission on Hurricane Loss Projection Methodology](#) and administering the SBA's [Insurance Capital Build-up Incentive Program](#).

- Reports
- Meeting Calendar
- Subscribe to Updates
- DFS Consumer Helpline



- REPORTS
- LIST OF PARTICIPATING INSURERS
- MEET THE FHCF TEAM
- MEETING CALENDAR
- SUBSCRIBE TO UPDATES
- DFS CONSUMER HELPLINE

**Florida Hurricane Catastrophe Fund**  
**2023/2024 Coverage Selections and Premium Calculations**  
**Preliminary List as of 03/31/24\***

	NAIC	Company Name	Coverage Option	FHCF Premium
1	26417	ACE Insurance Company of the Midwest	90%	\$5,313.053
2	10014	Affiliated FM Insurance Company	45%	\$55.513
3	19402	AIG Property Casualty Company	90%	\$16,401,448
4	10111	American Bankers Insurance Company of Florida	90%	\$2,237,629
5	12968	American Coastal Insurance Company	90%	\$49,081,581
6	29068	American Family Connect Property and Casualty Insurance Company	90%	\$267,032
7	19380	American Home Assurance Company	90%	\$403,363
8	12841	American Integrity Insurance Company of Florida	90%	\$31,437,373
9	16883	American Mobile Insurance Exchange	90%	\$1,430,370
10	23469	American Modern Home Insurance Company	90%	\$1,000
11	12314	American Modern Insurance Company of Florida	90%	\$526,417
12	42722	American Modern Property and Casualty Insurance Company	90%	\$1,682,416
13	28401	American National Property & Casualty Company	45%	\$41,000
14	13563	American Platinum Property and Casualty Insurance Company	90%	\$2,004,749
15	19615	American Reliable Insurance Company	45%	\$17,263
16	42978	American Security Insurance Company	90%	\$19,607,571
17	41998	American Southern Home Insurance Company	90%	\$32
18	10872	American Strategic Insurance Corporation	90%	\$6,208,922
19	12359	American Traditions Insurance Company	90%	\$13,940,352
20	19976	AMICA Mutual Insurance Company	90%	\$6,576,621
21	41459	Armed Forces Insurance Exchange	90%	\$628,174
22	12196	ASI Assurance Corporation	90%	\$763,774
23	13142	ASI Preferred Insurance Corporation	90%	\$21,931,023
24	12813	Auto Club Insurance Company of Florida	90%	\$13,213,042
25	18988	Auto-Owners Insurance Company	90%	\$62,778
26	22390	Aventus Insurance Company	90%	\$927
27	32603	Berkley Insurance Company	90%	\$2,030,386
28	10835	Castle Key Indemnity Company	90%	\$20,282,278
29	30511	Castle Key Insurance Company	90%	\$4,671,185
30	12573	Centauri Specialty Insurance Company	90%	\$3,311,292
31	26905	Century-National Insurance Company	90%	\$38,077
32	18767	Church Mutual Insurance Company, S.I.	45%	\$5,851
33	10677	Cincinnati Insurance Company	90%	\$2,286,416
34	09162	Citizens Property Insurance Corporation (Coastal Account)	90%	\$184,431,171
35	10064	Citizens Property Insurance Corporation (Personal Lines and Commercial Lines Accounts)	90%	\$295,030,432
36	28860	Clear Blue Insurance Company	90%	\$681,896

Reinsurance to Assist Policyholders

Insurance Capital Build-Up Incentive Program

Methodology Commission

Florida Optional Reinsurance Assistance

## Company Resources

Review information and documents organized by contract year, and access online reporting links

## Advisory Council

Membership, meeting calendar, materials, and live broadcast information

Stay up to date on current events and announcements

## About the FHCF

Staff directory, reports, and additional resources

## Bonding Program

Bonding capacity estimates and information about investor relations

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## Company Resources

Search for rates and premium information, reimbursement contract language, data call documents and frequently asked questions, as well as exposure and claims examination information and much more, all organized by the applicable contract year.



[DOCUMENTS AND REPORTING FORMS](#)

Find important dates for new companies that can affect FHCF coverage.

[NEW COMPANIES](#)

The Web Insurer Reporting Engine, or WIRE, is used to transmit the annual Data Call file and required advance records for exposure and claims examinations to the FHCF

[WIRE](#)

The Online Claims System is used to submit hurricane loss information (Proof of Loss Reports and Detailed Claims Listing files) to the FHCF

[ONLINE CLAIMS SYSTEM](#)





## 2024/2025 Coverage Selections & Premium Calculations

[download pdf](#)

Insurer  
Information



Insurer Loss  
Reporting



Useful Links





Select year:

2023 - 2024 ▾



Insurer Information

Insurer Loss Reporting

Useful Links



Contracts

Data Call

Rates & Premium

Member Handbook

FAQ

## 2023/2024 FHCF REIMBURSEMENT CONTRACT

These documents are provided for informational purposes only. Although they are believed to be reliable, they are not guaranteed as to accuracy or completeness. The Florida Statutes, along with the Rules adopted by the State Board of Administration of Florida (SBA), are the authoritative source on all FHCF policies and requirements.

[2023/2024 FHCF Reimbursement Contract](#)

Last Update 2023/05/31



[Appendix A to the FHCF Reimbursement Contract](#)

Last Update 2023/05/31



[2023/2024 FHCF Reimbursement Contract \(with revision marks\)](#)

Last Update 2023/05/31





Select year:

2020 - 2021 ▾



Insurer Information

Insurer Loss Reporting

Useful Links



Contracts

Data Call

Rates & Premium

Member Handbook

FAQ

## 2020/2021 FHCF REIMBURSEMENT CONTRACT

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[2020/2021 FHCF Reimbursement Contract](#)

Last Update 2020/05/27



[Addendum No. 1 to the FHCF Reimbursement Contract](#)

Last Update 2020/05/27



[Appendix A to Addendum No. 1 to the FHCF Reimbursement Contract](#)

Last Update 2020/05/27



[Company Contact Information Form](#)

Last Update 2017/05/08





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## 2023/2024 FHCF DATA CALL

<a href="#">2023/2024 FHCF Data Call</a>	Last Update 2023/05/31	<a href="#">↓</a>
<a href="#">2023/2024 FHCF Data Call (with revision marks)</a>	Last Update 2023/05/31	<a href="#">↓</a>
<a href="#">2023/2024 Construction Mapping Worksheet</a>	Last Update 2023/06/01	<a href="#">↓</a>
<a href="#">2023/2024 Mixed-Occupancy Worksheet</a>	Last Update 2023/06/01	<a href="#">↓</a>

## WEB INSURER REPORTING ENGINE (WIRE)

[Web Insurer Reporting Engine \(WIRE\)](#)

## 2023/2024 EXPOSURE EXAMINATION INFORMATION

<a href="#">2023 Advanced Preparation Instructions</a>	Last Update 2023/05/31	<a href="#">↓</a>
<a href="#">2023 Advance Records and Information</a>	Last Update 2023/06/28	<a href="#">↓</a>
<a href="#">2023 Operations Questions</a>	Last Update 2024/02/02	<a href="#">↓</a>



Select year:

2023 - 2024 ▾



[Insurer Information](#)

[Insurer Loss Reporting](#)

[Useful Links](#)



[Contracts](#)

[Data Call](#)

[Rates & Premium](#)

[Member Handbook](#)

[FAQ](#)

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## 2023/2024 RATEMAKING FORMULA REPORT

## FLORIDA HURRICANE CATASTROPHE FUND 2023 RATES

## 2023/2024 FHCF RETENTION MULTIPLES

## 2023/2024 PREMIUM & COVERAGE CALCULATIONS



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## 2023/2024 RATEMAKING FORMULA REPORT

[2023/2024 Ratemaking Formula Report](#)

Last Update 2023/05/31



## FLORIDA HURRICANE CATASTROPHE FUND 2023 RATES

Following is an index of the 2023/2024 FHCF rates for each coverage level by type of business, deductible group, construction class, and FHCF rating region. You may view and print the desired rate pages by selecting the applicable index.

### Florida Hurricane Catastrophe Fund 2023 All Rates

Commercial Rates	<a href="#">Coverage Level 45%</a>	<a href="#">Coverage Level 75%</a>	<a href="#">Coverage Level 90%</a>
Residential Rates	<a href="#">Coverage Level 45%</a>	<a href="#">Coverage Level 75%</a>	<a href="#">Coverage Level 90%</a>
Mobile Home Rates	<a href="#">Coverage Level 45%</a>	<a href="#">Coverage Level 75%</a>	<a href="#">Coverage Level 90%</a>
Tenants Rates	<a href="#">Coverage Level 45%</a>	<a href="#">Coverage Level 75%</a>	<a href="#">Coverage Level 90%</a>
Condominium Unit Owners Rates	<a href="#">Coverage Level 45%</a>	<a href="#">Coverage Level 75%</a>	<a href="#">Coverage Level 90%</a>



## 2023/2024 LOSS REPORTING

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- [Loss Reporting Requirements & Instructions](#)
- [Loss Preparedness Program](#)
- [On-Line Claims Reporting System](#)
- [How Do I Prepare for a Loss Examination?](#)

## 2023/2024 LOSS EXAMINATION PREPARATION INSTRUCTIONS

Form FHCF-LAP1 outlines the instructions to help your company prepare for the FHCF's loss reimbursement examination.

[2023/2024 Loss Examination Preparation Instructions](#)

Last Update 2023/05/31





## WHAT IS COVERED/NOT COVERED BY THE FHCF?

The following definitions can be found in the [2023/2024 Reimbursement Contract](#):

- Covered Event [Article V – Definitions (10)]
- Covered Policy [Article V – Definitions (12)]
- Loss [Article V – Definitions (18)]
- Ultimate Net Loss [Article V – Definitions (28)]
- Exclusions [Article VI – Exclusions]

It is also important to review the Non-Reportable (But Covered) Exposure section of the [2023/2024 Data Call Instructions](#) to understand which losses are covered by the FHCF but were not reported in your FHCF Data Call exposure file.

## HOW DO I REPORT MY LOSSES TO THE FHCF?

All participants **MUST** submit losses through the [On-line Claims System](#). Before you can submit a loss report through the system, you must register. The site access agreement, video tutorials, registration page, and claims system are all available from this link.

The [Interim Loss Report](#) (Form FHCF-L1A Rev 03/23) is required to be reported through the [On-line Claims System](#) upon notification by the FHCF. This is a preliminary non-binding report used to estimate potential reimbursement.

The [Proof of Loss Report](#) (Form FHCF-L1B Rev 03/23) is the basis for all FHCF advances and loss reimbursements. When your company submits the first Proof of Loss Report (POL) that qualifies for a reimbursement, a [Detailed Claims Listing](#) (Form FHCF-DCL Rev 03/23) is required to be submitted through the [On-line Claims System](#).

POLs are due from each participating company as follows:

- By 12/31/23 regardless of amount of loss (Detailed Claims Listing may be required)
- By each subsequent 3/31/XX, 6/30/XX, 9/30/XX, and 12/31/XX regardless of the amount of loss (Detailed Claims Listing may be required) until FHCF losses have been commuted or the company has paid its policyholders in full.





## 2023/2024 LOSS REPORTING

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- [On-Line Claims Reporting System](#)
- [How Do I Prepare for a Loss Examination?](#)

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[2023/2024 Loss Examination Preparation Instructions](#)

Last Update 2023/05/31



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**FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**  
**CLAIMS EXAMINATION – CONTRACT YEAR 2023**  
**ADVANCE PREPARATION INSTRUCTIONS**

**Company:**  
**Date of Examination:**  
**Advance Records Due:**  
**Event(s):**  
**Contract Year:** (Year event occurred)

The following instructions are provided to help your Company prepare for the FHCF's examination. If you have questions pertaining to the preparation and submission of required records, or about the activities or work processes of the examiner which cannot be adequately answered by the examiner, please call Timothy Butler, Director of Examinations, at (850) 413-1348.

**ADVANCE RECORDS**

Your Company is required to submit records in advance of the examiner's review to allow the examiner to fully prepare and to ensure the examination begins as scheduled. A checklist has been set up in the Company's *WIRE* Account ([www.sbafla.com/fhcfwire/](http://www.sbafla.com/fhcfwire/)). All advance information and records must be submitted using the *WIRE* checklist, except for the Proof of Loss Report and Detailed Claims Listing, which must be uploaded to the FHCF Online Claims System (<https://fhcf.sbafla.com>, in 'Online Reporting' module, select 'FHCF Online Claims'). Be certain the advance records submitted in *WIRE* are prepared using the specific form or file format given in the instructions below. The 'Submit' button located at the bottom of the checklist will not engage until all required components have been entered/uploaded. You must click the 'Submit' button to send the checklist and records to the FHCF. Once the records package has been submitted, additional uploads are prohibited.

**1. REQUIRED RECORDS CHECKLIST**

The Checklist will be completed online. In addition to uploading the required files, the Company should provide complete contact information for the Exam Coordinator, Executive Contact and Claims Contact, and if the examination will be conducted on-site, the Company should designate the office location where the on-site examination should take place. All examination correspondence will be directed through the Exam Coordinator you designate, including the Examination Report. The Exam Coordinator will be contacted periodically by the examiner to help facilitate the preparation of information needed for the examination. Note that all required information and files must be entered/uploaded to *WIRE* before the entire records package can be submitted to the FHCF.



## 2023/2024 LOSS REPORTING

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[2023/2024 Loss Examination Preparation Instructions](#)

Last Update 2023/05/31





## State Board of Administration of Florida [↗](#)

Providing superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.



## Web Insurer Reporting Engine (WIRE) [↗](#)

Florida Hurricane Catastrophe Fund (FHCF) Web Insurer Reporting Engine (WIRE)



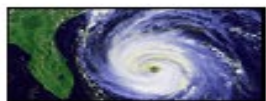
## FHCF Rules [↗](#)

Florida Hurricane Catastrophe Fund Rules



## 215.555 Statute information [↗](#)

215.555 Statute information



## On-Line Claims Reporting System [↗](#)

On-Line Claims Reporting System



Insurers should contact the Florida Hurricane Catastrophe Fund Administrator at [FHCFAAdministrator@paragon.aon.com](mailto:FHCFAAdministrator@paragon.aon.com) or call 1-800-689-3863 with questions.

Contact information for individual team members can be found [here](#).

### **Paragon Strategic Solutions Inc.**

8200 Tower – Normandale Lake Office Park | 5600 W 83rd Street, Suite 1100  
Bloomington, MN 55437 | **Phone:** 1-800-689-FUND (3863)

### **Florida Hurricane Catastrophe Fund**

State Board of Administration of Florida | P.O. Box 13300  
Tallahassee, FL 32317-3300 | **Phone:** 850-488-4406

# FINAL REMARKS

Gina Wilson, Chief Operating Officer, FHCF

