

**REPORT PREPARED FOR THE
FLORIDA HURRICANE CATASTROPHE FUND**



CLAIMS-PAYING CAPACITY ESTIMATES

MAY 12, 2025

RAYMOND JAMES

PUBLIC FINANCE DEPARTMENT

880 CARILLON PARKWAY, THIRD FLOOR

ST. PETERSBURG, FLORIDA 33716

(727) 567-2868



<u>SECTION</u>	<u>PAGE</u>
I. Introduction	1
II. The Process	4
III. Analytical Considerations	5
IV. Borrowing and Claims-Paying Capacity Estimates.....	12

Appendix

- A) Borrowing Capacity Solicitation & Senior Manager Responses
- B) FHCF Emergency Assessment Base History



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. It was created to operate exclusively for the purpose of protecting and advancing the state's interest in maintaining insurance capacity 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 reimbursement 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:

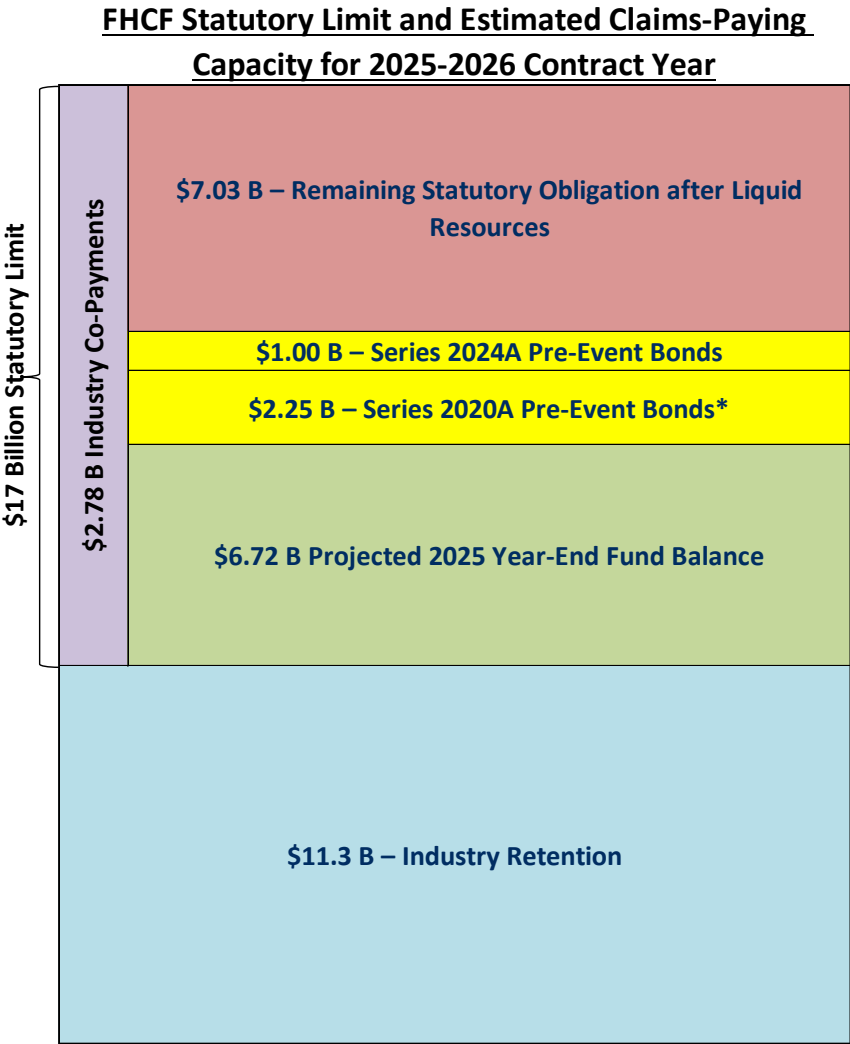
- (1) *Accumulated and current year reimbursement premiums*
- (2) *Recoveries from reinsurance and other risk-transfer mechanisms, if any*
- (3) *Pre-event bond proceeds and other pre-event liquidity resources*
- (4) *Proceeds of post-event revenue bonds or bank loans issued under Section 215.555(6),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

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 2025-2026 Contract Year and the preliminary estimate for the following contract year in order to assist the FHCF's participating insurers in determining their reimbursements. Providing estimates at these times of the year is useful since some insurers operate



in multiple states and purchase private reinsurance effective January 1st, while many other insurers operate solely in Florida and purchase their private reinsurance prior to June, effective June 1st of each year.

The actual and potential obligations of the FHCF are limited by statute. The chart below summarizes the sources of funds for the FHCF’s statutory limit for the 2025-2026 Contract Year. The FHCF’s financial projections and estimates are based on assumptions prepared by its independent actuary, Paragon Strategic Solutions Inc. (“Paragon”) and financial advisor, Raymond James, reflecting loss reserves for recent hurricanes. The industry retention is the maximum loss amount retained by the industry below the FHCF coverage layer. The industry co-payment amount is the maximum co-pay for the industry for losses in the FHCF coverage layer based on the projected industry overall coverage selection of 84.74%. The \$17 billion of FHCF statutory limit includes an allowance of 10% for loss adjustment expenses.



Numbers may not add due to rounding. Not drawn to scale
* \$1.25 billion of the currently outstanding \$3.50 billion 2020A Pre-Event Bonds matures on July 1, 2025, and will be used to pay the principal due on July 1, 2025.



Hurricane Debby made landfall near Steinhatchee in the Big Bend area of Florida on August 5, 2024 as a Category 1 storm. Hurricane Helene made landfall in the Big Bend area of the Florida gulf coast on September 26, 2024 as a Category 4 hurricane, and only thirteen days later Hurricane Milton made landfall near Siesta Key on the Florida gulf coast on October 9, 2024 as a Category 3 hurricane. Paragon estimates that the FHCF will not have any losses from Hurricane Debby, and the FHCF's share of losses will be \$10 million for Hurricane Helene and \$3.0 billion for Hurricane Milton.

Section 215.555, Florida Statutes, specifies the calculation of the retention multiple for each participating insurer. Each participating insurer has its own loss experience based on its own exposure, retention, limit, and FHCF coverage selection with its own unique probabilities of incurring FHCF layer losses. To more accurately estimate ground up losses and return times for different levels within the FHCF coverage layer, Paragon uses a detailed, company-by-company approach which includes an additional analysis based on model results by ZIP code and type of business and each individual company retention, company limit, and coverage selection. The data shown in the table below is for the approximately 138 participating insurers where each insurer has its own retention and coverage limits based upon its projected market share exposures, and therefore each participating insurer has its own unique probabilities of triggering its FHCF coverage and reaching its FHCF coverage limit.

Layer	FHCF Layer Loss (\$ in B)	Ground Up Losses for Average Verisk, RMS Company Retention Limit (\$ in B)	Return Times (Yrs) for Aggregate Verisk, RMS Company Retention Limit
\$1 Billion FHCF Layer	1.0	10.1	8.9
Projected Remaining Fund Balance Exhausted	6.7	20.4	16.8
Pre-Event Bonds Exhausted*	10.0	25.6	21.4
1-in-100 Year Event	16.8	70.7	100.0
Maximum Statutory Limit	17.0	106.3	250.0

Source: Paragon Strategic Solutions.

Return times and ground up losses are based on probabilities for the entire season and are shown for illustrative purposes only.

* Pre-event bonds of \$3.25 billion excludes \$1.25 billion of the outstanding \$3.50 billion Series 2020A bonds being used to pay the July 1, 2025 principal payment.



II. The Process

In order to estimate the FHCF's borrowing capacity for the 2025 and 2026 seasons, we took the following three steps:

- (1) Evaluated market conditions for the FHCF using our internal resources. Raymond James & Associates, Inc. ("Raymond James"), a full service broker-dealer with approximately \$27 billion in market capitalization (RJF, www.raymondjames.com), serves as the independent

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

financial advisor to the FHCF. Raymond James also serves as an independent advisor to numerous other governmental catastrophe insurance entities for all types of catastrophe perils across the country and its experience includes the evaluation and placement of risk transfer programs in both traditional and capital markets, the issuance of pre-event bonds and other liquidity mechanisms, the issuance of post-event bonds, structuring bank loans, and serving as an investment consultant. Raymond James ranks as the number one financial advisor to state-sponsored public insurance entities and is among the top ten municipal underwriters in the country and participates 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 has served as independent advisor or underwriter on the issuance of over \$49 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 \$1.5 trillion of assets under management.

- (2) Solicited formal written feedback from the four current senior managing underwriters of the FHCF's financial services team given certain assumptions. These firms – Bank of America, J.P. Morgan, Morgan Stanley and Wells Fargo – are among the largest financial services firms and municipal underwriters in the world, and each one has extensive experience and expertise with FHCF securities and similar instruments for other municipal issuers. They were also part of the team for the successful execution of the FHCF's Series 2024A pre-event financing. 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 borrowing capacity estimate for inclusion in this report.



III. Analytical Considerations

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 \$92.83 billion¹. The strength of this pledged revenue stream is the primary reason the four major rating

agencies – Moody's, Standard & Poor's, Fitch, and Kroll – rate the FHCF's current debt as Aa2, AA, AA, and AA respectively. To put these ratings in perspective, less than 1% of U.S. corporations have ratings in the "AA" category by any three of the four rating agencies.

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

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 very large and diversified current assessment base of \$92.83 billion, mean the FHCF could levy annual assessments of as much as \$5.57 billion for losses from hurricanes occurring in one contract year and as much as \$9.28 billion for losses from hurricanes occurring over all contract years. These annual amounts, in conjunction with the other available resources of the FHCF, are estimated to be more than sufficient to support the estimated borrowing capacity for the FHCF, even at above current market rates. We have utilized rates of 6% for the initial season and 7% for the subsequent season in the table on page 15, which are above current market rates.

The FHCF successfully executed the Series 2024A taxable pre-event financing in May 2024. The Series 2024A financing was issued in the amount of \$1 billion at a true interest cost of 5.55%. The Series 2024A transaction enabled the FHCF to lock-in \$1 billion of additional liquidity for ten years at a spread of 93 basis points above the 10-year Treasury. As evidenced by the increase in interest rates since the FHCF's 2020A financing, interest rate levels can vary over time. It is unlikely the FHCF would not be able to access debt capital markets after an event; however, the favorability and accessibility of debt capital markets will depend on market conditions at that time. Therefore, it is critical to understand the risk and potential challenges the FHCF may face after an event.

In addition, pricing conditions in the global reinsurance markets affect the participating insurers' coverage percentage selections. Hardening market conditions in the global reinsurance markets, especially in the Florida marketplace, began in 2020 and continued into 2023. However, recent tort reforms passed by the Florida Legislature have helped the property and casualty insurance industry in the State. As

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



reinsurance markets have stabilized, many carriers have experienced an increase in reinsurance capacity. As a result, the FHCF's average coverage level decreased for 2025 to 84.74%; down from 86.87% in 2024.

The chart below illustrates the FHCF's projected \$9.97 billion of liquid resources for the 2025-2026 Contract Year. The FHCF's 2025-2026 Contract Year liquidity resources have been adjusted for paid losses, loss reserves, and loss estimates totalling approximately \$11.5 billion for Hurricanes Ian, Idalia, Helene, and Milton. At this time, the FHCF's projected losses incurred are \$8.5 billion from Hurricane Ian, \$1 million from Hurricane Idalia, \$10 million from Hurricane Helene, and \$3.0 billion from Hurricane Milton.

FHCF Obligations and Liquidity Resources – 2025-2026 Contract Year	Amount (\$B)
Total Potential FHCF Obligations	\$17.00
Projected 2025 Year-End Fund Balance	\$6.72
Series 2020A Pre-Event Bonds Balance*	\$2.25
Series 2024A Pre-Event Bonds Balance	\$1.00
Total Liquidity Resources	\$9.97
Total Liquidity Resources Below Potential Obligations	\$7.03

Numbers may not add due to rounding.

** \$1.25 billion of the currently outstanding \$3.50 billion 2020A Pre-Event Bonds matures on July 1, 2025 and will be used to pay the principal due on July 1, 2025.*

After any additional event, if the losses are projected to exceed the year-end fund balance, the FHCF could draw on its pre-event bond proceeds to make reimbursements and either repay the pre-event bonds by issuing post-event bonds or by levying assessments. Alternatively, the FHCF could issue post-event bonds and preserve its \$3.25 billion of available pre-event bond proceeds for subsequent seasons, depending on the market conditions and interest rates.

As shown in the next two charts, the largest single issuance since 2022 was \$3.52 billion. Given the amount of time it takes for losses to develop after a hurricane of any significant size, the FHCF may issue multiple series of post-event bonds over time to reimburse claims. Accordingly, it is helpful to evaluate which issuers in the municipal market (both taxable and tax-exempt) have issued the most debt over a 12-month period. The charts on page 8 show that the largest cumulative amount issued by a single issuer in a single calendar year since 2022 has ranged from \$8.57-\$13.74 billion.



Largest 25 Taxable Municipal Issuances By Par Amount Since 2022					
Rank	Issuer Name	State	Year of Sale	Issue Description	Par (\$MM)
1	Texas Natural Gas Sec Fin Corp	TX	2023	Customer Rate Relief Bonds	\$3,522
2	Louisiana Gov Env Fac & CDA (LCDA)	LA	2022	System Restoration Bonds	\$3,194
3	Massachusetts	MA	2022	Special Obligation Rev Bonds	\$2,681
4	Regents of the University of Michigan	MI	2022	General Revenue Bonds	\$2,000
5	California	CA	2023	Various Purpose GO Bonds	\$1,804
6	St Louis Co-Missouri	MO	2023	Industrial Revenue Bonds	\$1,800
7	New York City-New York	NY	2025	General Obligation Bonds	\$1,750
8	New York City-New York	NY	2024	General Obligation Bonds	\$1,500
9	Louisiana Gov Env Fac & CDA (LCDA)	LA	2023	System Restoration Bonds	\$1,491
10	Oklahoma Dev Finance Auth	OK	2022	Ratepayer-Backed Bonds	\$1,354
11	Dallas & Fort Worth Cities-Texas	TX	2022	Joint Revenue Improvement Bonds	\$1,188
12	Regents of the University of California	CA	2022	Medical Ctr Pooled Rev Bonds	\$1,100
13	California Health Facs Fin Auth	CA	2022	Senior Revenue Bonds	\$1,050
14	Florida St Board Admin Fin Corp	FL	2024	Revenue Bonds	\$1,000
15	Mobile Airport Authority	AL	2023	Revenue Bonds	\$1,000
16	New York City-New York	NY	2023	General Obligation Bonds	\$965
17	California	CA	2023	Various Purpose GO Bonds	\$943
18	Virginia Small Business Fin Auth	VA	2022	Sub Lien Revenue Ref Notes	\$841
19	District of Columbia	DC	2022	Income Tax Secured Rev Bonds	\$775
20	Oklahoma Dev Finance Auth	OK	2022	Ratepayer-Backed Bonds	\$762
21	Hawaii	HI	2024	General Obligation Bonds	\$750
22	Hawaii	HI	2023	General Obligation Bonds	\$750
23	Hawaii	HI	2022	General Obligation Bonds	\$740
24	Oklahoma Dev Finance Auth	OK	2022	Ratepayer-Backed Bonds	\$697
25	NYS Dorm Authority	NY	2022	State Personal Inc Tax Rev Bonds	\$668

Source: Thomson Financial for long-term negotiated taxable issuances from January 1, 2022 to April 30, 2025.

Largest 25 Tax-Exempt Municipal Issuances By Par Amount Since 2022					
Rank	Issuer Name	State	Year of Sale	Issue Description	Par (\$MM)
1	Triborough Bridge & Tunnel Auth	NY	2025	Real Est Transfer Tax Rev Bonds	\$3,200
2	Florida Development Fin Corp	FL	2024	Revenue Bonds	\$3,144
3	Los Angeles USD	CA	2024	GO Refunding Bonds	\$2,975
4	NYS Dorm Authority	NY	2024	State Personal Inc Tax Rev Bonds	\$2,811
5	California	CA	2025	Various Purp GO & Ref Bonds	\$2,631
6	California	CA	2024	Various Purpose GO & Ref Bonds	\$2,609
7	California	CA	2024	Various Purpose GO & Ref Bonds	\$2,584
8	California	CA	2023	Var Purp GO & Ref Bonds	\$2,582
9	California	CA	2023	Various Purpose GO & Ref Bonds	\$2,553
10	New York Transportation Dev Corp	NY	2024	Special Facilities Revenue Bonds	\$2,550
11	Regents of the University of California	CA	2025	General Revenue Bonds	\$2,500
12	NYS Dorm Authority	NY	2022	State Personal Inc Tax Rev Bonds	\$2,422
13	Columbus Regional Airport Auth	SC	2025	Airport Revenue Bonds	\$2,415
14	Illinois	IL	2023	General Obligation & Ref Bonds	\$2,311
15	California	CA	2022	Various Purpose GO & Ref Bonds	\$2,292
16	NYC Transitional Finance Auth	NY	2024	Future Tax Secured Sub Bonds	\$2,250
17	Jefferson Co-Alabama	AL	2024	Sewer Revenue Warrants	\$2,243
18	NYS Dorm Authority	NY	2024	State Sales Tax Rev Bonds	\$2,146
19	Regents of the University of California	CA	2023	General Revenue Bonds	\$2,116
20	NYS Thruway Authority	NY	2022	State Personal Inc Tax Rev Bonds	\$2,028
21	California Infrstr & Eco Dev Bank	CA	2025	Sr Sub Secured Rev Bonds	\$2,000
22	New York Transportation Dev Corp	NY	2023	Special Facilities Rev Bonds	\$2,000
23	NYS Dorm Authority	NY	2025	State Personal Inc Tax Rev Bonds	\$1,980
24	San Francisco City & Co Airport Comm	CA	2025	Second Ser Rev Bonds	\$1,978
25	Central Valley Energy Authority	CA	2025	Commodity Supply Rev Bonds	\$1,968

Source: Thomson Financial for long-term negotiated tax-exempt issuances from January 1, 2022 to April 30, 2025.



Florida Hurricane Catastrophe Fund

RAYMOND JAMES

Largest 25 Issuers By Issued Par Amount 2022		
Rank	Issuer Name	Par (\$MM)
1	NYC Transitional Finance Auth	\$13,738
2	Triborough Bridge & Tunnel Auth	\$12,868
3	New York City-New York	\$9,072
4	California	\$8,935
5	NYS Dorm Authority	\$7,976
6	Massachusetts	\$6,719
7	Wisconsin Public Finance Auth	\$5,623
8	Black Belt Energy Gas Dt	\$5,450
9	NYC Municipal Water Fin Auth	\$5,224
10	Regents of the University of California	\$5,171
11	Washington	\$4,917
12	Los Angeles Dept of Airports	\$4,897
13	Virginia Small Business Fin Auth	\$4,831
14	Oklahoma Dev Finance Auth	\$4,402
15	Los Angeles Dept Wtr & Pwr (LADWP)	\$4,203
16	Connecticut	\$4,188
17	Louisiana Gov Env Fac & CDA (LCDA)	\$4,180
18	Denver City and Co-Colorado	\$4,109
19	Los Angeles City-California	\$3,918
20	Texas Water Development Board	\$3,878
21	Main Street Natural Gas Inc	\$3,749
22	Illinois	\$3,738
23	Colorado Health Facilities Auth	\$3,582
24	Port Authority of New York & New Jersey	\$3,568
25	NYS Thruway Authority	\$3,564

Largest 25 Issuers By Issued Par Amount 2023		
Rank	Issuer Name	Par (\$MM)
1	California	\$8,570
2	NYC Transitional Finance Auth	\$6,968
3	California Comm Choice Fin Auth	\$5,483
4	New York City-New York	\$5,420
5	Triborough Bridge & Tunnel Auth	\$4,947
6	NYS Dorm Authority	\$4,721
7	Main Street Natural Gas Inc	\$4,194
8	Washington	\$3,700
9	Texas Natural Gas Sec Fin Corp	\$3,522
10	Illinois	\$3,386
11	Massachusetts	\$3,214
12	New York Transportation Development C	\$3,013
13	Regents of the University of California	\$2,875
14	Los Angeles Dept Wtr & Pwr (LADWP)	\$2,858
15	Connecticut	\$2,766
16	New Jersey Trans Trust Fund Au	\$2,368
17	NYC Municipal Water Fin Auth	\$2,186
18	Port Authority of New York & New Jersey	\$2,177
19	Wisconsin Public Finance Auth	\$2,123
20	Chicago City-Illinois	\$2,117
21	Pennsylvania	\$2,089
22	San Francisco City/Co Public Util Comm	\$2,027
23	Colorado Hsg & Fin Auth (CHFA)	\$2,004
24	District of Columbia	\$2,004
25	Black Belt Energy Gas Dt	\$1,968

Largest 25 Issuers By Issued Par Amount 2024		
Rank	Issuer Name	Par (\$MM)
1	NYC Transitional Finance Auth	\$10,672
2	NYS Dorm Authority	\$10,507
3	California Comm Choice Fin Auth	\$9,049
4	California	\$8,436
5	New York City-New York	\$7,371
6	Florida Development Fin Corp	\$5,873
7	Massachusetts	\$5,487
8	New Jersey Trans Trust Fund Au	\$4,750
9	New York Transportation Development C	\$4,496
10	Triborough Bridge & Tunnel Auth	\$4,310
11	Chicago City-Illinois	\$4,259
12	New Hampshire National Fin Auth	\$4,252
13	Regents of the University of California	\$4,171
14	Washington	\$4,139
15	Illinois	\$4,088
16	NYC Municipal Water Fin Auth	\$3,999
17	Los Angeles USD	\$3,970
18	Main Street Natural Gas Inc	\$3,840
19	Texas Transportation Commission	\$3,517
20	Wisconsin Public Finance Auth	\$3,340
21	Metropolitan Transportation Authority	\$3,021
22	Connecticut	\$2,976
23	Black Belt Energy Gas Dt	\$2,961
24	Massachusetts Dev Finance Agcy	\$2,873
25	Houston City-Texas	\$2,705

Largest 25 Issuers By Issued Par Amount 2025 YTD		
Rank	Issuer Name	Par (\$MM)
1	Regents of the University of California	\$5,212
2	Triborough Bridge & Tunnel Auth	\$4,900
3	New York City-New York	\$4,761
4	NYC Transitional Finance Auth	\$3,748
5	California	\$3,638
6	Southeast Energy Authority	\$3,400
7	Massachusetts Dev Finance Agcy	\$3,140
8	Los Angeles Dept of Airports	\$2,931
9	Washington	\$2,883
10	NYS Dorm Authority	\$2,808
11	Columbus Regional Airport Auth	\$2,415
12	NYC Municipal Water Fin Auth	\$2,159
13	California Infrstr & Eco Dev Bank	\$2,136
14	San Francisco City & Co Airport Comm	\$1,978
15	Central Valley Energy Authority	\$1,968
16	Orange Co Health Facs Auth	\$1,706
17	San Diego Community College Dt	\$1,700
18	Dallas ISD	\$1,526
19	Main Street Natural Gas Inc	\$1,479
20	Oregon	\$1,439
21	Univ of Texas Sys Bd of Regents	\$1,408
22	Illinois Finance Authority	\$1,404
23	Connecticut	\$1,399
24	Idaho Health Facilities Auth	\$1,354
25	Pennsylvania Econ Dev Fin Auth	\$1,311

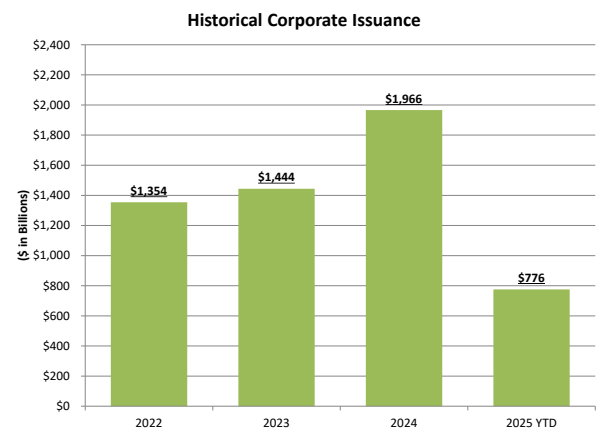
Source: Thomson Financial for long-term issuances from January 1, 2022 to April 30, 2025.



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 nine bond issues totaling \$16.6 billion (three tax-exempt issues totaling \$2.6 billion and six taxable issues totaling \$14 billion), of which \$4.5 billion is currently outstanding with \$1.25 billion maturing on July 1, 2025. By comparison, for example, since 2022, the State of California has completed 38 long-term bond issues totaling over \$27 billion, the New York State Dormitory Authority has completed 65 long-term bond issues totaling approximately \$24 billion, the New York City Transitional Finance Authority has completed 49 long-term bond issues totaling approximately \$29 billion, and the Commonwealth of Massachusetts has completed 30 long-term bond issues totaling over \$15 billion. The FHCF's debt has historically been issued with relatively short maturities ranging from 1-10 years (although it has the authority to issue debt with maturities of up to 30 years). All of the issuers listed above have had final maturities of 30 years or longer.

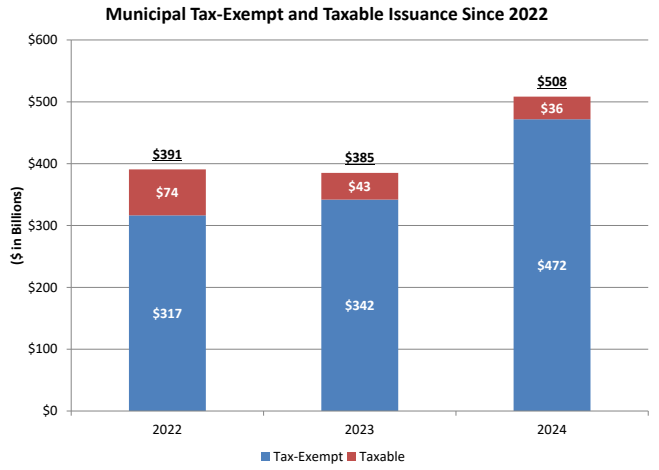
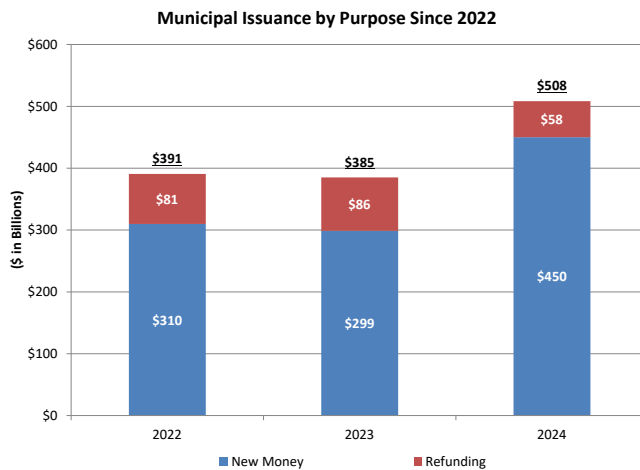
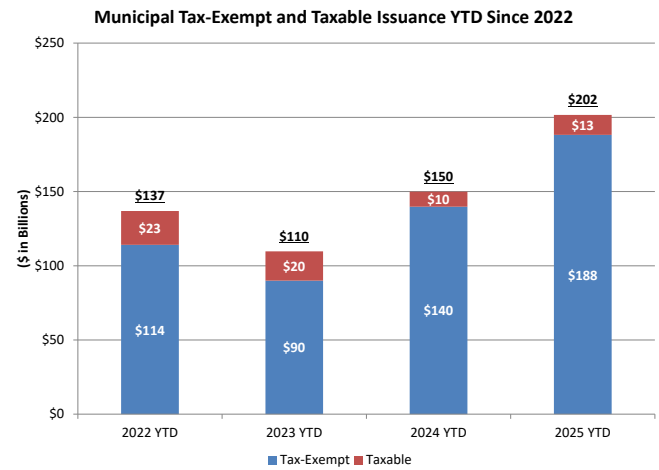
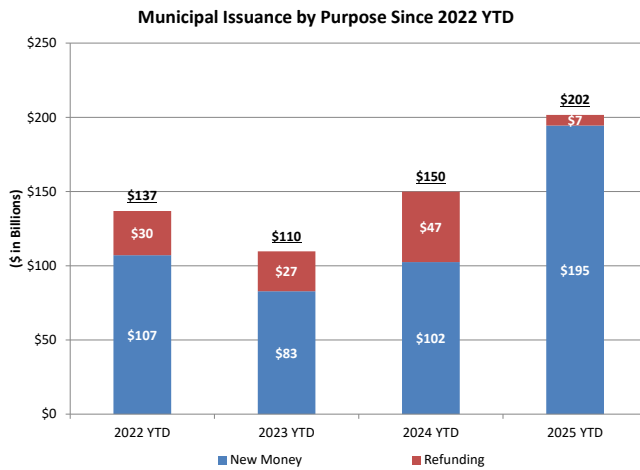
Analysis of potential market acceptance of large amounts of FHCF debt must include not only relevant historical references, but also an evaluation of current market conditions and cash flow needs. Market conditions in both tax-exempt and taxable municipal markets, as well as in the corporate market, are relatively stable, but always unpredictable.

In 2024, corporate issuance was over \$1.9 trillion, which was 36% higher than 2023 issuance of \$1.4 trillion. The corporate bond market has topped \$1 trillion each year since 2011 while rates were historically low, but rates are increasing in 2025 due to economic uncertainty and volatility. Through April 30, 2025, corporate bond issuance is at \$776 billion, or relatively flat to the \$791 billion issued over the same time period in 2024.



Source: SIFMA, 2025 year-to-date through April 30, 2025

For 2024, municipal long-term issuance was 32% higher as compared to 2023 with \$508 billion of issuance. For year-to-date 2025, municipal long-term issuance is \$202 billion and is 35% higher compared to the \$150 billion issued over the same time period in 2024.



Source: Thomson Financial for municipal long-term issuances from January 1, 2022 to April 30, 2025.

As an issuer, the FHCF has multiple factors working in its favor, including: (1) the FHCF is a well-regarded, highly-rated credit (AA category), closely associated with (though not guaranteed by) the State of Florida (AAA category), a blue-chip name in the market; (2) in May 2024, the FHCF successfully priced \$1 billion of Series 2024A taxable pre-event bonds with a 10-year maturity at a spread to the 10-year Treasury of 93 basis points, which re-established the strength of the FHCF credit in the taxable market and provides liquidity for the FHCF over a 10-year period; 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 usually associated with typical “AA” rated credits.

Insurers should be aware of the significant impact of financial market conditions on FHCF's claims-paying ability for the 2025-2026 Contract Year and beyond. Estimating the FHCF's post-event borrowing capacity is an inexact science. It involves considering various factors, predicting market conditions after



hurricanes, and evaluating subjective elements. While certainty cannot be guaranteed, experienced analysis can provide conservative estimates suitable for FHCF's needs.

Financial markets and risk transfer markets are volatile, especially in today's macro-economic and geopolitical environment, posing additional risks for insurers relying on FHCF reimbursements. The estimated borrowing capacity is subjective, influenced heavily by the opinions of senior managing underwriters and their responses. The following pages provide current borrowing and claims-paying capacity estimates.



IV. Borrowing and Claims-Paying Capacity Estimates

To estimate the FHCF's borrowing capacity, we used the general process described in Section II and detailed in Appendix A. Below is the capacity question we asked the FHCF's senior managing underwriters:

The preliminary estimated borrowing capacity of the FHCF is \$7.80 billion for 0-12 months

*"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 elements, and based on cash flow requirement projections from Paragon, input from FHCF staff about potential payout timing, and a desire for prudence to meet the FHCF's statutory limit, we plan to use the borrowing capacity estimates for the first 12 months in formulating the borrowing capacity estimate for the initial season. Based on past payout patterns, the amount of debt that the FHCF can raise within the first 12 months, and up to 24 months (as needed), is integral for the FHCF and its ability to reimburse participating insurers up to its statutory limit.

We are also comfortable including estimates that contain some above-market interest rate capacity in recognition of the significant current market volatility and the current higher rates with significant Treasury issuance to fund fiscal deficits along with the fact that the FHCF's strong assessment capability can support its estimated borrowing capacity, even at significantly higher rates. For purposes of calculating the potential assessment impact of the FHCF's bonding needs, we have calculated the assessment rate assuming the FHCF post-event bonds carry interest rates at an above current market interest rate of 6% for the initial season and 7% for the subsequent season. There is also some overlap between tax-exempt and taxable capacity estimates and therefore the total capacity available could be marginally less than the sum of the tax-exempt and taxable capacity individually. A summary of the senior managers' responses is shown in the table on the following page:

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



FHCF Post-Event Estimated Borrowing Capacity					
	Bank of America	J.P. Morgan	Morgan Stanley	Wells Fargo	Average ¹
Borrowing Estimates					
Tax-Exempt:					
0-12 Months	\$1.5-\$2B	\$3.5-\$4B	\$3.5-\$5B	\$3-\$4B	\$3.3B
12-24 Months	\$2-\$3B	\$3.5-\$4B	\$2-\$4B	\$2-\$3B	\$2.9B
Total tax-exempt	\$3.5-\$5B	\$7-\$8B	\$5.5-\$9B	\$5-\$7B	\$6.2B
Taxable:					
0-12 Months	\$3-\$5B	\$4-\$5B	\$5-\$7B	\$3-\$4B	\$4.5B
12-24 Months	\$3-\$5B	\$4-\$5B	\$3-\$5B	\$2-\$3B	\$3.8B
Total taxable	\$6-\$10B	\$8-\$10B	\$8-\$12B	\$5-\$7B	\$8.3B
Tax-Exempt and Taxable					
0-12 Months Total	\$4.5-\$7B	\$7.5-\$9B	\$8.5-\$12B	\$6-\$8B	\$7.8B
12-24 Months Total	\$5-\$8B	\$7.5-\$9B	\$5-\$9B	\$4-\$6B	\$6.7B
0-24 Months Total	\$9.5-\$15B	\$15-\$18B	\$13.5-\$21B	\$10-\$14B	\$14.5B

¹ Averages are rounded to the nearest hundred million dollars

Estimated Claims-Paying Capacity

The FHCF's estimated claims-paying capacity is equal to the sum of the projected year-end fund balance plus risk transfer purchased, if any, plus the estimate of borrowing capacity. The FHCF projects that its year-end fund balance for the 2025-2026 Contract Year is approximately \$6.72 billion. It also has pre-event liquidity available of \$3.25 billion³ for total available liquidity of \$9.97 billion. The FHCF has an estimated borrowing capacity of \$7.80 billion over 0-12 months and \$6.70 billion over 12-24 months.

The table on the following page reflects the 2025-2026 Contract Year claims-paying capacity estimate of \$17.77 billion, which is \$0.77 billion over the 2025-2026 Contract Year coverage obligation of \$17 billion. The table also shows the FHCF's 2026-2027 Contract Year claims-paying capacity estimates using two different scenarios; one assumes the FHCF exhausts its statutory limit in the 2025-2026 Contract Year and the alternative assumes no additional covered events occur in the 2025-2026 Contract Year. If the FHCF's statutory limit is exhausted in the 2025-2026 Contract Year, the 2026-2027 estimated claims-paying capacity would be \$8.89 billion. Conversely, if the FHCF does not have any additional covered events for the 2025-2026 Contract Year, the claims-paying resources for the 2026-2027 Contract Year would be \$19.38 billion.

³ Excludes \$1.25 billion July 1, 2025 maturity.



		Maximum Statutory Limit Exhausted in Prior Year	Assuming No Additional Events in Prior Year
(\$ in Billions, Totals may not add due to rounding)	2025-2026 Contract Year	2026-2027 Contract Year	2026-2027 Contract Year
FHCF Potential Coverage Obligation			
FHCF Maximum Coverage Obligation (A)	\$17.00	\$17.00	\$17.00
FHCF Estimated Funding Sources Available			
Projected FHCF Year-End Fund Balance (B)	\$6.72	\$1.42	\$8.33
Risk Transfer and Other Financial Transactions (C)	\$0.00	\$0.00	\$0.00
Pre-Event Bond Proceeds Available ¹ (D)	\$3.25	\$0.00	\$3.25
Total Funding Sources Available (B + C + D) = (E)	\$9.97	\$1.42	\$11.58
Additional Funds / Potential Borrowing Need (E - A) = (F)	(\$7.03)	(\$15.58)	(\$5.42)
FHCF Claims-Paying Capacity			
Estimated FHCF Borrowing Capacity (0-12 Months) (G)	\$7.80	\$6.70	\$7.80
Unutilized FHCF Borrowing Capacity (0-12 Months) (H)	N/A	\$0.77	N/A
Total Estimated Claims-Paying Capacity (E + G + H) = (I)	\$17.77	\$8.89	\$19.38
Total Estimated Claims-Paying Capacity as a % of FHCF Coverage Obligation (I / A) = (J)	105%	52%	114%
Amount Above / (Below) Coverage Obligation (J - A) = (K)	\$0.77	(\$8.11)	\$2.38

¹ Pre-event bonds are available as a liquidity resource for the 2025-2026 Contract Year in the amount of \$3.25 billion, and we are assuming pre-event bonds will be used to pay claims for the 2025-2026 Contract Year.

The table below is for informational purposes only, which shows the breakdown of the potential assessments required for the FHCF's potential post-event borrowing needs and repayment of pre-event bond proceeds based on an interest rate of 6% for the initial season and 7% for the subsequent season over a 30-year period.

(\$ in Billions)	2025-2026 Contract Year ¹	2026-2027 Contract Year ²
Total Potential Borrowing	\$7.03	\$7.47
Assessment % over 30 Years if Financed at a Rate of 6% for the Initial Season and 7% for the Subsequent Season	0.55%	0.65%
Assessment % over 10 Years if Financed at a Rate of 6% for the Initial Season and 7% for the Subsequent Season	1.03%	1.15%

¹ The potential borrowing for the 2025-2026 Contract Year is shown as the estimated potential borrowing of approximately \$7.03 billion. The assessment amount of repaying the pre-event bond proceeds is not included and will depend on the tenor of repayment, which is based on the maturity schedule of the pre-event bonds. If the pre-event bonds were refinanced over a 10-year period, the annual emergency assessment required for the \$3.25 billion of pre-event bonds is 0.48%. The total assessment burden for the \$10.28 billion of bonding would be 1.51% over a 10-year period if the maximum statutory limit is exhausted.

² The potential borrowing for the 2026-2027 Contract Year reflects the maximum statutory limit exhausted in the prior year and is shown as the remaining 0-12 month estimated borrowing capacity of \$0.77 billion and the 12-24 month estimated borrowing capacity of \$6.70 billion.

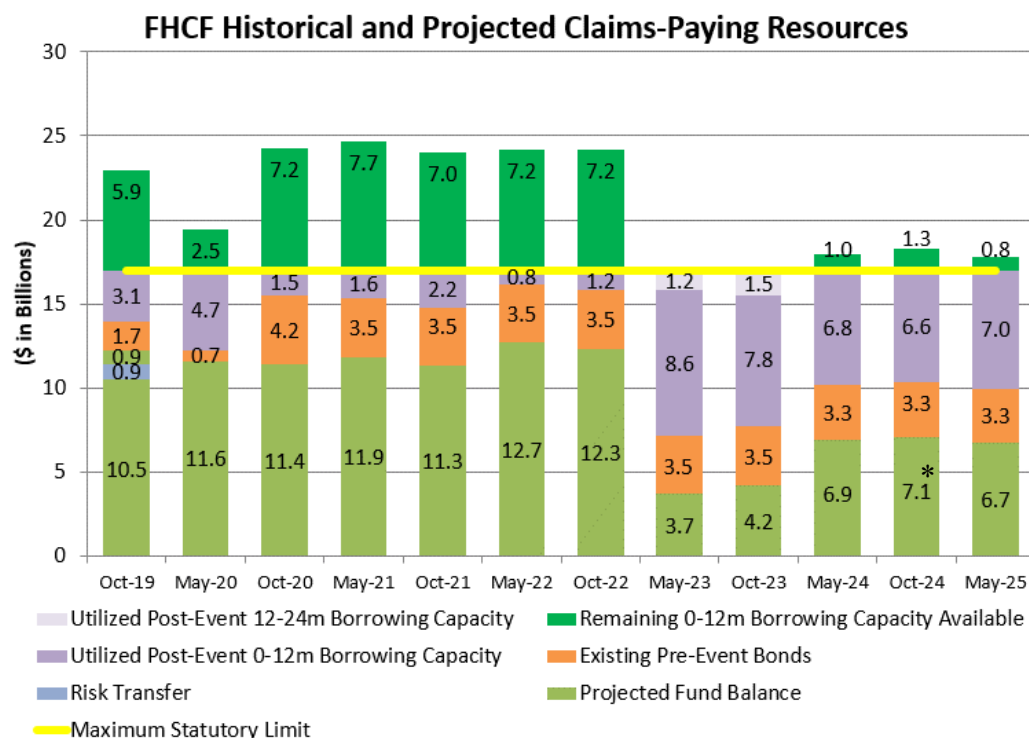
Historical Perspective on Estimated Claims-Paying Capacity

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 borrowing capacity. While the projected fund balance climbed steadily from 2006 to 2017 without a major hurricane that triggered the FHCF, Hurricane Irma, Michael, Ian, Idalia, Helene, and Milton losses have continued to reduce the FHCF's projected fund balance to approximately \$6.72 billion available for the 2025-2026



Contract Year. In recent years, the senior managers' estimate ranges of the FHCF's borrowing capacity have remained relatively stable, but due to volatility in the marketplace, the senior managers' estimates have been diverse, 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 May 2025 average borrowing capacity estimates for 0-12 months and 12-24 months of \$7.80 billion and \$6.70 billion, respectively, are each \$100 million lower as compared to the October 2024 average borrowing estimate for 0-12 months and 12-24 months of \$7.90 billion and \$6.80 billion, respectively.

The chart below reflects the history of the FHCF's claims-paying resources since October 2019 with projected fund balance (light green), existing pre-event bonds (orange), risk transfer (blue), utilized post-event 0-12 month borrowing capacity (purple), utilized 12-24 month borrowing capacity (light purple) and maximum statutory limit (yellow) with remaining 0-12 month borrowing capacity available above (dark green). The outstanding pre-event bonds, risk transfer, and the projected fund balance are reliable amounts since they are known prior to an event, but the post-event borrowing capacity can vary significantly depending on financial market conditions after a hurricane event. It is important that the FHCF's claims-paying capacity estimates be reasonable and prudent to minimize financial risk for participating insurers for the initial and subsequent seasons as well as for long-term sustainability of the Florida residential property insurance market even under the current volatile market conditions.



Numbers may not add due to rounding.

The additional capacity above the maximum statutory limit reflects the estimated borrowing capacity plus any additional funds available. October 2022 projected fund balance is prior to Hurricane Ian's projected loss reserve.

* October 2024 projected fund balance is prior to \$3.01 billion of projected loss reserves from Hurricanes Helene and Milton.



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 borrowing capacity. The table below shows the aggregate ranges for each estimate since October 2021.

Post-Event Estimated Borrowing Capacity (Senior Managers' Range)									
(\$ in Billions)	Oct-21	May-22	Oct-22	May-23	Oct-23	May-24	Oct-24	May-25	Oct. 2024 - May 2025 Change
0-12 Months	\$5.5-\$13	\$4.5-\$13	\$4.5-\$13	\$4.5-\$13	\$4.5-\$11	\$4.5-\$12	\$4.5-\$12	\$4.5-\$12	<.....>
12-24 Months	\$5-\$17	\$4-17	\$4-\$20	\$4-\$13	\$5-\$11	\$5-\$9	\$5-\$9.5	\$5-\$9	<.....>

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. In order for the FHCF to meet its industry coverage obligation of \$17.0 billion for the current season, the FHCF would utilize \$7.03 billion of its projected 0-12 month borrowing capacity of \$7.80 billion. The actual borrowing results achieved by the FHCF could vary substantially from this estimate. While the FHCF has the claims-paying resources to meet its maximum statutory obligation for the 2025-2026 contract year, the FHCF's 2026-2027 contract year claims-paying capacity of \$8.89 billion is 52% of its maximum statutory obligation of \$17 billion – this is prior to any potential borrowing capacity over 12-24 months as it is currently not projected because of the long-term time horizon. The FHCF's stability and sustainability is of paramount importance to the state as its mission is to provide strong reimbursement capacity to the Florida property insurance market for both the initial and subsequent season. The FHCF currently has sufficient claims-paying resources to meet its statutory obligation for the initial season while the FHCF has claims-paying resources for 52% of its maximum statutory obligation for the subsequent season if the FHCF's maximum statutory limit is exhausted for the initial season.



Appendix A – Bonding Capacity Solicitation & Senior Manager Responses

From: [Sasha Stipanovich](#)
To:
Subject: FHCF Bonding Capacity Estimates

Good afternoon FHCF Senior Manager Team:

While we recognize there is currently a significant amount of volatility in the marketplace, it is that time of year where we need your input in preparation for presenting the bonding capacity estimates at the FHCF Advisory Council Meeting on Monday, May 12th at 1:30 PM.

For the bonding capacity analysis, 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 and are still comfortable including estimates that contain 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.

In order to prepare the FHCF Bonding Capacity Report for May 2025, we need the following data elements from you by close of business Monday, April 21st:

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout, as needed, when writing the scale. Base your scale on an uninsured financing given the FHCF’s strong current underlying ratings of Aa2/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).
2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout when writing the scale. Again, base the scale on the FHCF’s current underlying ratings of Aa2/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).
3. Please provide us with your firm’s opinion on the potential tax-exempt and/or taxable post-event conservative 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 close of business Monday, April 21st.

Additionally, we would like a representative from your firm (banker and/or underwriter) to dial-in during the meeting to answer any questions. As you are preparing your responses, please let us know if you have any questions or comments – you can call or e-mail Kapil Bhatia (727-415-3267, kapil.bhatia@raymondjames.com) or Sasha Stipanovich (850-544-1117, sasha.stipanovich@raymondjames.com).

Sasha Stipanovich
Director

Public Finance
Raymond James & Associates, Inc.
C 850.544.1117
880 Carillon Parkway, St. Petersburg, FL 33716

RAYMOND JAMES®

Memorandum

To: Florida Hurricane Catastrophe Fund
From: BofA Securities, Inc.
Date: April 16, 2025
Subject: Florida Hurricane Catastrophe Fund – May 2025 Bonding Capacity Analysis

BofA Securities, Inc. (“BofA”) is pleased to provide the Florida Hurricane Catastrophe Fund (“FHCF” of the “Fund”) with our firm’s estimates and views of the FHCF’s post-event bonding capacity and current market borrowing costs.

Market Commentary. Macro market volatilities fell further this week in a continued choppy recovery. This week, the Treasury market appeared to be working in a normal mode, with the 10yr Treasury yield falling 30 basis points (bps) from a high of 4.59% last week to 4.29% this week. This removes the sharp decline, and then sharp rise, that occurred during the first two weeks of April following the Administration’s tariff announcement. In fact, after large yield spikes for the first three days of early last week, the UST market has recovered about 40% of the yield damage. However, while the 90-day tariff negotiations with many countries are underway, there is no shortage of uncertainties on the tariffs front during the process. Credit spreads widened slightly this week as the market began to assess possible damage to the economy down the road. IG muni spreads widened 3 bps to 22 bps, or to the wide of their 52-wk range. Municipal AA GO spreads widened 2 bps. Muni/Treasury ratios fell quite a bit this week. While the risks for 10+yr maturities remain due to an uncertain 2H25 inflation outlook, our economists believe ratios for shorter maturities, such as the 5yr area, are still too high.

BofA research also believe that the recovery so far is entirely due to volatility declines. The recovery in municipals will be better in May after tax season weakness, as long as Treasury market trading remains normal. For the rest of April, municipal market recovery will likely lag Treasuries’.

Rates Forecast. The long-term impact on inflation and the possibility of a recession remains open, especially for 2H25. As of March 31, BofA research revised their US rates targets 25 bps lower, with the 10-year Treasury yield now expected to end 2025 at 4.50% from 4.75%. On March 19, the Federal Reserve held the federal funds target steady at 4.25%-4.5% for the second consecutive meeting. The Fed’s *then* statement highlighted elevated economic uncertainty, softer growth and higher inflation. The latest statement from Fed Chair Powell on Wednesday this week continued his emphasis on price stability facing a stiff tariffs impact and conveyed a wait-and-see approach.

BofA Securities’ Interest Rate Forecast

Metric	4/15/25	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2
Fed Funds Rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
2YR T-Note	3.84%	4.00%	4.00%	4.00%	4.05%	4.10%
5YR T-Note	3.98%	4.10%	4.15%	4.20%	4.25%	4.30%
10YR T-Note	4.35%	4.30%	4.40%	4.50%	4.55%	4.60%
30YR T-Bond	4.79%	4.70%	4.75%	4.80%	4.85%	4.90%

Outlook for Future FHCF Transactions. FHCF’s very successful 2024 and 2020 transactions demonstrated the strong market reception and depth of institutional interest in the Fund’s bonds. The pricing levels and order book for each transaction were a major component in informing our view of a potential future offering. In addition to a strong order flow, in 2024, FHCF benefited from interest and ultimately orders from many institutional investors that that already held sizable positions in the outstanding 2020 Bonds (that also received strong order flow). PIMCO, Income Re, GSAM, Alliance Bernstein, Northwest Mutual, WAMCO and many others saw the 2024 offering as an opportunity to expand their holdings by indicating their participation during pre-pricing discussions in a meaningful way. By utilizing only the intermediate portion of the curve (and in fact only one maturity) FHCF was able to generate robust order volume of the 2024 transaction while also offering bonds at the tightest spreads

“Bank of America” and “BofA Securities” are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation (“Investment Banking Affiliates”), including, in the United States, BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed.

©2024 Bank of America Corporation. All rights reserved.

FHCF has received, despite last year's higher rate environment (2020: +150 to the 10 year UST, or 2.154%; 2024: +93 to the 10 year UST, or 5.526%).

Three key areas to continue highlighting include 1) FHCF's strong credit story, 2) market capacity for large transactions, and 3) appropriate pricing levels. Investors have become very familiar with FHCF's credit story. The Series 2024 transaction continued the dialogue with many investors that began during the Series 2020 transaction, where 95 unique investors placed orders (with 48 new investors that did not previously hold FHCF bonds). Despite significant headwind in the market, the Series 2024 transaction was well-received and generated a strong orderbook (~2x, 83 unique orders). We view this as a positive indication of broad investor familiarity with the credit story and overall level of comfort with FHCF. The overall order book significantly exceeded the \$1 billion offering size, demonstrating FHCF's expected ability to complete a large financing should it need to raise proceeds following a storm event (especially in the context of investor appetite as noted earlier). Both the 2020 and 2024 offerings highlight investor comfort with FHCF's special assessment credit and FHCF's ability to access the capital markets for large transactions. That being said, as we have noted in the past, a transaction or series of transactions by the FHCF and possibly other insurance-related entities in the State (e.g. Citizens, FIGA) after a hurricane event have been generally untested and may significantly impact market dynamics for a specific transaction. In the pages that follow, we provide BofA's conservative estimate of a "market" scale given the FHCF's strong credit with no capacity constraints, as well as our view on the FHCF's potential tax-exempt and/or taxable post-event conservative market capacity over the next 0-12 and 12-24 months at rates that are at or above the current "market" scale. If you have any questions, please contact the BofA team.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout, as needed, when writing the scale. Base your scale on an uninsured financing given the FHCF’s strong current underlying ratings of Aa3/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).

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/AA ratings from Moody’s, S&P, Fitch, and Kroll, respectively, and no capacity constraints.

Tax-Exempt Scale					
Term	Maturity (July 1)	Premium Coupon	MMD	Spread	Yield
1	2026	5.000%	3.030%	25 bps	3.280%
2	2027	5.000%	3.050%	30 bps	3.350%
3	2028	5.000%	3.070%	35 bps	3.420%
4	2029	5.000%	3.130%	38 bps	3.510%
5	2030	5.000%	3.180%	40 bps	3.580%
6	2031	5.000%	3.230%	42 bps	3.650%
7	2032	5.000%	3.300%	45 bps	3.750%
8	2033	5.000%	3.350%	47 bps	3.820%
9	2034	5.000%	3.430%	48 bps	3.910%
10	2035	5.000%	3.500%	50 bps	4.000%
11	2036	5.000%	3.570%	52 bps	4.090%
12	2037	5.000%	3.630%	55 bps	4.180%
13	2038	5.000%	3.680%	57 bps	4.250%
14	2039	5.000%	3.750%	58 bps	4.330%
15	2040	5.000%	3.850%	60 bps	4.450%
16	2041	5.000%	3.960%	62 bps	4.580%
17	2042	5.000%	4.050%	63 bps	4.680%
18	2043	5.000%	4.130%	65 bps	4.780%
19	2044	5.000%	4.210%	65 bps	4.860%
20	2045	5.000%	4.270%	65 bps	4.920%
21	2046		4.320%		
22	2047		4.350%		
23	2048		4.380%		
24	2049		4.400%		
25	2050	5.250%	4.420%	65 bps	5.070%
26	2051		4.440%		
27	2052		4.460%		
28	2053		4.470%		
29	2054		4.480%		
30	2055	5.250%	4.490%	65 bps	5.140%

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout when writing the scale. Again, base the scale on the FHCF’s current underlying ratings of Aa3/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).

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/AA ratings from Moody’s, S&P, Fitch, and Kroll, respectively, and no capacity constraints.

Taxable Scale					
Term	Maturity (July 1)	Coupon	UST	Spread	Yield
1	2026	4.470%	3.770%	70 bps	4.470%
2	2027	4.520%	3.770%	75 bps	4.520%
3	2028	4.570%	3.770%	80 bps	4.570%
4	2029	4.760%	3.910%	85 bps	4.760%
5	2030	4.810%	3.910%	90 bps	4.810%
6	2031	5.030%	4.080%	95 bps	5.030%
7	2032	5.080%	4.080%	100 bps	5.080%
8	2033	5.340%	4.290%	105 bps	5.340%
9	2034	5.390%	4.290%	110 bps	5.390%
10	2035	5.440%	4.290%	115 bps	5.440%
11	2036	5.490%	4.290%	120 bps	5.490%
12	2037	5.540%	4.290%	125 bps	5.540%
13	2038	5.590%	4.290%	130 bps	5.590%
14	2039	5.640%	4.290%	135 bps	5.640%
15	2040	5.690%	4.290%	140 bps	5.690%
16	2041				
17	2042				
18	2043				
19	2044				
20	2045	6.140%	4.740%	140 bps	6.140%
21	2046				
22	2047				
23	2048				
24	2049				
25	2050	6.170%	4.740%	143 bps	6.170%
26	2051				
27	2052				
28	2053				
29	2054				
30	2055	6.190%	4.740%	145 bps	6.190%

3. Please provide us with your firm’s opinion on the potential tax-exempt and/or taxable post-event conservative 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 FHCF capacity estimates at rates that are at or above the current “market” scale, as needed. We believe that sufficient demand exists at these capacity levels to complete a transaction of the sizes provided below. In the current market, there has been very little crossover participation and believe there is low probability of cannibalization between tax-exempt/taxable capacity.

FLORIDA HURRICANE CATASTROPHE FUND POST-EVENT MARKET CAPACITY (\$ BILLION)			
Time Period	Tax-Exempt	Taxable	Total
0-12 Months	\$1.5-2.0	\$3.0-5.0	\$4.5-7.0
12-24 Months	\$2.0-3.0	\$3.0-5.0	\$5.0-8.0
0-24 Months	\$3.5-5.0	\$6.0-10.0	\$9.5-15.0

Confidential Notice to Recipient

“Bank of America” and “BofA Securities” are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Equal Housing Lender. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation (“Investment Banking Affiliates”), including, in the United States, BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities.

BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA.

Investment products offered by Investment Banking Affiliates:

Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed.

These materials have been prepared by one or more subsidiaries of Bank of America Corporation for the client or potential client to whom such materials are directly addressed and delivered (the “Company”) in connection with an actual or potential mandate or engagement and may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with us. These materials are based on information provided by or on behalf of the Company and/or other potential transaction participants, from public sources or otherwise reviewed by us. We assume no responsibility for independent investigation or verification of such information (including, without limitation, data from third party suppliers) and have relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and forecasts of future financial performance prepared by or reviewed with the managements of the Company and/or other potential transaction participants or obtained from public sources, we have assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such managements (or, with respect to estimates and forecasts obtained from public sources, represent reasonable estimates). No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past, the present or the future. These materials were designed for use by specific persons familiar with the business and affairs of the Company and are being furnished and should be considered only in connection with other information, oral or written, being provided by us in connection herewith. These materials are not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Bank of America Corporation or any of its affiliates to provide or arrange any financing for any transaction or to purchase any security in connection therewith. These materials are for discussion purposes only and are subject to our review and assessment from a legal, compliance, accounting policy and risk perspective, as appropriate, following our discussion with the Company. We assume no obligation to update or otherwise revise these materials. These materials have not been prepared with a view toward public disclosure under applicable securities laws or otherwise, are intended for the benefit and use of the Company, and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without our prior written consent. These materials may not reflect information known to other professionals in other business areas of Bank of America Corporation and its affiliates.

Bank of America Corporation and its affiliates (collectively, the “BAC Group”) comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and strategic advisory services and other commercial services and products to a wide range of corporations, governments and individuals, domestically and offshore, from which conflicting interests or duties, or a perception thereof, may arise. In the ordinary course of these activities, parts of the BAC Group at any time may invest on a principal basis or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of the Company, potential counterparties or any other company that may be involved in a transaction. Products and services that may be referenced in the accompanying materials may be provided through one or more affiliates of Bank of America Corporation. We have adopted policies and guidelines designed to preserve the independence of our research analysts. These policies prohibit employees from offering research coverage, a favorable research rating or a specific price target or offering to change a research rating or price target as consideration for or an inducement to obtain business or other compensation. We are required to obtain, verify and record certain information that identifies the Company, which information includes the name and address of the Company and other information that will allow us to identify the Company in accordance, as applicable, with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and such other laws, rules and regulations as applicable within and outside the United States.

We do not provide legal, compliance, tax or accounting advice. 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 any nonpublic commercial or financial information (except to the extent any such information relates to the tax structure or tax treatment)) 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.

WE ARE NOT YOUR MUNICIPAL ADVISOR OR FIDUCIARY. BofA Securities, Inc. (“BofA Securities”) is providing the information contained herein for discussion purposes only either as an underwriter or in anticipation of being engaged to serve as an underwriter. BofA Securities is not acting as a “municipal advisor” within the meaning of Section 15B of the Securities Exchange Act of 1934, financial advisor or fiduciary to you or any other person. The primary role of BofA Securities, as an underwriter, is to purchase securities with a view to distribution in an arm’s-length commercial transaction with you and BofA Securities has financial and other interests that differ from those of yours. BofA Securities is acting for its own interests. You should discuss any information and material contained in this communication with any and all of your own internal or external municipal and/or financial, legal, accounting, tax and other advisors and experts, as applicable, to the extent you deem appropriate.

Memorandum

To: Florida Hurricane Catastrophe Fund
From: J.P. Morgan
Date: April 21, 2025
Subject: FHCF Estimated Bonding Capacity and Pricing

J.P. Morgan Securities LLC ("J.P. Morgan") is pleased to provide Florida Hurricane Catastrophe Fund ("FHCF") with our estimate of FHCF's bonding capacity and pricing levels for April 2025. On the following pages please find J.P. Morgan's estimate of the FHCF's 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

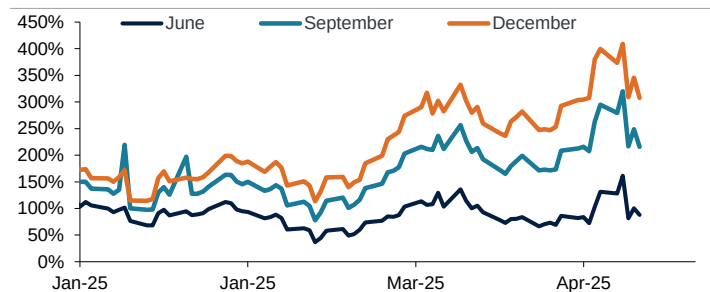
New Administration. With the new Trump administration underway, proposed policies include widespread tariffs and tax exemption reform for municipal bonds. President Trump has announced widespread tariffs on various countries which could reverse recent progress and put upward pressure on inflation. Following the House Ways and Means Committee's proposals, it is very possible that some portions of the municipal market are affected by tax reform even without a wholesale elimination of tax exemption, similar to the impact on tax exempt advance refundings in the TCJA.

Fed Developments. The Fed left rates unchanged in March. At the March FOMC meeting, the committee unanimously voted to leave rates unchanged at the target range of 4.25% – 4.50%, as Fed officials continued to project two quarter-point rate reductions this year. The revised Summary of Economic Projections suggested that the committee now anticipates lower growth, alongside higher near-term inflation and modestly higher peak unemployment levels. At the press conference, Fed Chair Powell emphasized that if "the economy remains strong, and inflation does not continue to move sustainably toward 2%, we can maintain policy restraint for longer," noting that the Fed is comfortable with keeping interest rates elevated.

Labor Market. March's US jobs report reflects a gradual cooling of the labor market, as both nonfarm payrolls and unemployment increased. U.S. hiring increased more than expected as March Nonfarm payrolls increased to 228k (St. 140k) from a revised 117k in the period prior, reflecting slightly stronger labor market conditions in March. The unemployment rate slightly increased to 4.2% from the period prior. JOLTS job openings came in below expectations decreasing 194k to 7,568k (St. 7,655k) from the revised 7,762k in the period prior, as labor demand slows.

Inflation. After mixed inflation reads to start the year, recent data suggests easing prices, however, tariff impacts are expected to contribute to future price

NEXT FOMC MEETINGS INTEREST RATE CUT PROBABILITY



Meeting	JPM Forecast	Market Implied Cut Probability*
May-25	--	13.6%
Jun-25	--	76.8%
Jul-25	--	164.5%
Sep-25	25 bps cut	239.4%
Oct-25	25 bps cut	302.5%
Dec-25	25 bps cut	367.3%

*Fed Funds Futures implied probability of a single hike or cut estimated at the associated meeting

ECONOMIC DATA

Data	Last	Period	Estimate	Actual	Prior
Prices					
Core CPI YoY	4/10	March	3.0%	2.8%	3.1%
Core PCE YoY	3/28	February	2.7%	2.8%	2.7%**
Core PPI YoY	4/11	March	3.6%	3.3%	3.5%**
GDP Price Index	3/27	4Q24	2.4%	2.3%	2.4%
Labor Market					
Unemployment Rate	4/4	March	4.1%	4.2%	4.1%
Change in Nonfarm Payrolls	4/4	March	140K	228k	117k**
Initial Jobless Claims	4/17	Apr 12	225k	215k	224k**
Continuing Claims	4/17	Apr 5	1,870k	1,885k	1,844k**
National Accounts					
GDP	3/27	4Q24	2.3%	2.4%	2.3%
Personal Consumption	3/27	4Q24	4.2%	4.0%	4.2%

**Revised number; Source: Bloomberg as of 4/21/2025

pressures. March headline CPI came in lower than expected as the MoM figure decelerated -0.1% (St. 0.1%), while Core CPI YoY also came in below expectations, increasing 2.8% (St. 3.0%), marking the smallest increase since April 2021. Annualized Core PCE moved higher than expected, advancing to 2.8% from 2.7% in the month prior, underscoring continuing inflation pressures.

Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event conservative 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.

Based on market conditions as of close of business April 16, 2025, J.P. Morgan estimates that FHCF could sell \$3.5-4 billion of tax-exempt bonds and \$4-5 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 \$3.5-4 billion of tax-exempt bonds and \$4-5 billion of taxable bonds. This would provide FHCF a total post-event market capacity of \$7-8 billion tax-exempt and \$8-10 billion taxable, for a total of \$15-18 billion.

Indicative Post-Event Market Capacity as of 4/16/2025			
Time Period	Tax-Exempt	Taxable	Total
0-12 Months	\$3.5-4 billion	\$4-5 billion	\$7.5-9 billion
12-24 Months	\$3.5-4 billion	\$4-5 billion	\$7.5-9 billion
Total	\$7-8 billion	\$8-10 billion	\$15-18 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.

Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout, as needed, when writing the scale. Base your scale on an uninsured financing given the FHCF’s strong current underlying ratings of Aa3/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).

Florida Hurricane Catastrophe Fund - Tax-Exempt Scale						
Year	Maturity	Sinker/Term	Int. MMD	Spread	Coupon	Stated Yield
1	7/1/2026		3.03%	20	5.00%	3.23%
2	7/1/2027		3.05%	23	5.00%	3.28%
3	7/1/2028		3.07%	25	5.00%	3.32%
4	7/1/2029		3.13%	27	5.00%	3.40%
5	7/1/2030		3.18%	30	5.00%	3.48%
6	7/1/2031		3.23%	32	5.00%	3.55%
7	7/1/2032		3.30%	35	5.00%	3.65%
8	7/1/2033		3.35%	38	5.00%	3.73%
9	7/1/2034		3.43%	40	5.00%	3.83%
10	7/1/2035		3.50%	40	5.00%	3.90%
11	7/1/2036		3.57%	43	5.00%	4.00%
12	7/1/2037		3.63%	48	5.00%	4.11%
13	7/1/2038		3.68%	50	5.00%	4.18%
14	7/1/2039		3.75%	50	5.00%	4.25%
15	7/1/2040		3.85%	50	5.00%	4.35%
16	7/1/2041		3.96%	50	5.00%	4.46%
17	7/1/2042		4.05%	50	5.00%	4.55%
18	7/1/2043		4.13%	50	5.00%	4.63%
19	7/1/2044		4.21%	50	5.00%	4.71%
20	7/1/2045		4.27%	50	5.00%	4.77%
21	7/1/2046	*				
22	7/1/2047	*				
23	7/1/2048	*				
24	7/1/2049	*				
25	7/1/2050	T	4.42%	50	5.25%	4.92%
26	7/1/2051	*				
27	7/1/2052	*				
28	7/1/2053	*				
29	7/1/2054	*				
30	7/1/2055	T	4.49%	50	5.25%	4.99%

Assumes MMD as of close of business April 16, 2025, an optional redemption date of 7/1/2035 at par and \$3 billion transaction size.

Please provide a 30-year taxable scale using the Treasury curve at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout when writing the scale. Again, base the scale on the FHCF’s current underlying ratings of Aa3/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).

Florida Hurricane Catastrophe Fund - Taxable Scale						
Year	Maturity	Sinker/Term	UST	Spread	Coupon	Stated Yield
1	7/1/2026		3.785%	70	4.485%	4.485%
2	7/1/2027		3.785%	75	4.535%	4.535%
3	7/1/2028		3.785%	80	4.585%	4.585%
4	7/1/2029		3.908%	85	4.758%	4.758%
5	7/1/2030		3.908%	90	4.808%	4.808%
6	7/1/2031		4.077%	90	4.977%	4.977%
7	7/1/2032		4.077%	95	5.027%	5.027%
8	7/1/2033		4.278%	95	5.228%	5.228%
9	7/1/2034		4.278%	100	5.278%	5.278%
10	7/1/2035		4.278%	105	5.328%	5.328%
11	7/1/2036		4.278%	110	5.378%	5.378%
12	7/1/2037		4.278%	115	5.428%	5.428%
13	7/1/2038		4.278%	120	5.478%	5.478%
14	7/1/2039		4.278%	125	5.528%	5.528%
15	7/1/2040		4.278%	130	5.578%	5.578%
16	7/1/2041	*				
17	7/1/2042	*				
18	7/1/2043	*				
19	7/1/2044	*				
20	7/1/2045	T	4.780%	100	5.780%	5.780%
21	7/1/2046	*				
22	7/1/2047	*				
23	7/1/2048	*				
24	7/1/2049	*				
25	7/1/2050	*				
26	7/1/2051	*				
27	7/1/2052	*				
28	7/1/2053	*				
29	7/1/2054	*				
30	7/1/2055	T	4.746%	115	5.896%	5.896%

Assumes UST as of close of business April 16, 2025, a make-whole call and \$3 billion transaction size.

Disclaimer

This presentation was prepared exclusively for the benefit and internal use of the J.P. Morgan client to whom it is directly addressed and delivered (including such client's affiliates, the "Client") in order to assist the Client in evaluating, on a preliminary basis, the feasibility of possible transactions referenced herein. The materials have been provided to the Client for informational purposes only and may not be relied upon by the Client in evaluating the merits of pursuing transactions described herein. No assurance can be given that any transaction mentioned herein could in fact be executed.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. Any financial products discussed may fluctuate in price or value. This presentation does not constitute a commitment by any J.P. Morgan entity to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

J.P. Morgan's presentation is delivered to you for the purpose of being engaged as an underwriter, not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)). The role of an underwriter and its relationship to an issuer of debt is not equivalent to the role of an independent financial advisor. The primary role of an underwriter is to purchase, or arrange for the purchase of, securities in an arm's-length commercial transaction between the issuer and the underwriter. An underwriter has financial and other interests that differ from those of the issuer. If selected as your underwriter, J.P. Morgan will be acting as a principal and not as your agent or your fiduciary with respect to the offering of the securities or the process leading to issuance (whether or not J.P. Morgan or any affiliate has advised or is currently advising the Client on other matters). Any portion of this presentation which provides information on municipal financial products or the issuance of municipal securities is given in response to your questions or to demonstrate our experience in the municipal markets and does not constitute "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We encourage you to consult with your own legal and financial advisors to the extent you deem appropriate in connection with the offering of the securities. If you have any questions concerning our intended role and relationship with you, we would be happy to discuss this with you further.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This material is not a product of the Research Departments of J.P. Morgan Securities LLC ("JPMS") and is not a research report. Unless otherwise specifically stated, any views or opinions expressed herein are solely those of the authors listed, and may differ from the views and opinions expressed by JPMS's Research Departments or other departments or divisions of JPMS and its affiliates. Research reports and notes produced by the Research Departments of JPMS are available from your Registered Representative or at <http://www.jpmm.com>. JPMS's policies prohibit employees from offering, directly or indirectly, a favorable research rating or specific price target, or offering to change a rating or price target, to a subject Client as consideration or inducement for the receipt of business or for compensation. JPMS also prohibits its research analysts from being compensated for involvement in investment banking transactions except to the extent that such participation is intended to benefit investors.

J.P. Morgan makes no representations as to the legal, tax, credit, or accounting treatment of any transactions mentioned herein, or any other effects such transactions may have on you and your affiliates or any other parties to such transactions and their respective affiliates. You should consult with your own advisors as to such matters.

JPMorgan Chase & Co. and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on as the basis for making an investment decision nor as tax, legal or accounting advice. You should consult your own advisors in respect of any tax, legal or accounting matter.

This presentation does not carry any right of publication or disclosure, in whole or in part, to any other party, without the prior consent of J.P. Morgan. Additional information is available upon request.

J.P. Morgan is the marketing name for the investment banking activities of JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC (member, NYSE), J.P. Morgan Securities plc (authorized by the FSA and member, LSE) and their investment banking affiliates.

This material is delivered in reliance on the Municipal Advisor Rule's IRMA Exemption

(a) This material is provided to you in reliance on the Independent Registered Municipal Advisor exemption pursuant to Section 15B of the Securities Exchange Act of 1934, as amended; (b) J.P. Morgan is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to you with respect to the information and material contained in this communication; (c) J.P. Morgan is acting for its own interests; (d) You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material; and (e) J.P. Morgan seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve or in relation to our engagement as an underwriter. The primary role of an underwriter is to purchase securities with a view to distribute in an arm's-length commercial transaction. The underwriter has financial and other interests that differ from yours.

To: Florida Hurricane Catastrophe Fund

Date: April 21, 2025

From: Morgan Stanley

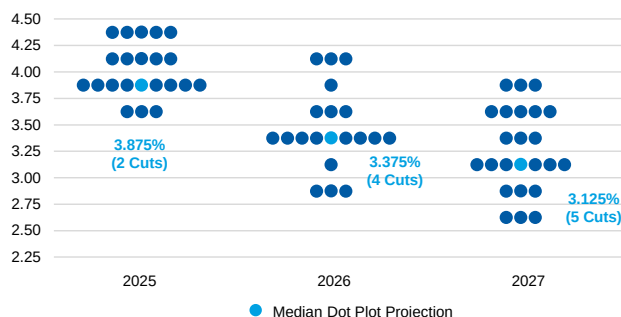
Subject: FHCF May 2025 Semi-Annual Bonding Capacity Analysis

Morgan Stanley is pleased to provide the Florida Hurricane Catastrophe Fund ("FHCF") with our Firm's Semi-Annual Bonding Capacity Analysis. On the following pages, please find our current market tax-exempt and taxable scales along with our estimate of post-event bonding capacity over 0-12 and 12-24 month periods.

Macroeconomic Data and Fed Policy. Tariff news has dominated headlines and driven market movement recently, as latest guidance on tariffs fuels further trade policy uncertainty and risk off sentiment. On Wednesday, in light of possible tariff-induced inflationary implications, Federal Reserve Chair Jerome Powell clarified the Central Bank's go forward stance on monetary policy, emphasizing that "our obligation is to keep longer-term inflation expectations well anchored and to make certain that a one-time increase in the price level does not become an ongoing inflation problem." Additionally, Powell stated that in sustaining this price stability, the Fed would also look to also balance employment considerations, but noted that "we may find ourselves in the challenging scenario in which our dual-mandate goals are in tension. If that were to occur, we would consider how far the economy is from each goal, and the potentially different time horizons over which those respective gaps would be anticipated to close." This news comes as recent consumer sentiment surveys have pointed towards households and businesses experiencing a steep decline; these readings, however, have been overlayed with seemingly strong consumer spending, as implied by last Wednesday's Retail Sales data, but this strength is likely being buoyed by individuals looking to get ahead of tariffs prior to price increases and may be fleeting. The market's current view is that the Fed will hold rates steady, with only an 11% probability of a cut; markets are currently pricing in 2 cuts throughout the rest of 2025.

Market Dynamics. Tax-exempt rates have underperformed UST in 2025 year-to-date, a dynamic that has driven ratios to 80% for the 10-year ratio and 93% for the 30-year ratio. Despite volatile markets, municipal supply is at all-time highs with \$144 billion of new issuance volume year-to-date. This has been met by strong demand as higher rates and ratios have reengaged dormant buyers.

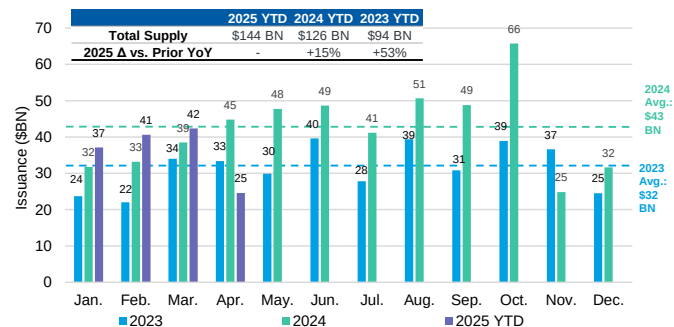
FOMC Rate Cut Expectations (Dot Plot)



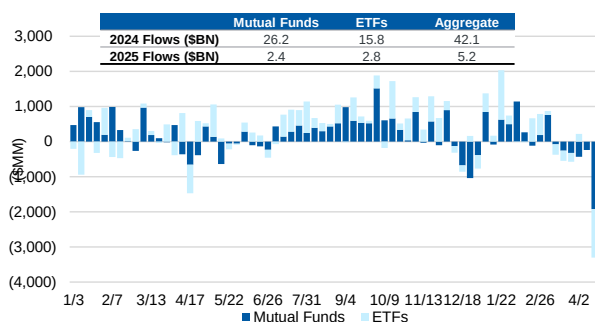
Rates and Ratios Movement

	Current	Δ WoW	Δ MoM	Δ YTD	Δ YTD High
5Y MMD	3.15%	+4	+32	+28	-44
10Y MMD	3.44%	+3	+28	+38	-45
30Y MMD	4.46%	+7	+26	+54	-38
5Y UST	3.93%	-10	-9	-46	-68
10Y UST	4.33%	-6	+7	-25	-48
30Y UST	4.81%	-4	+24	+2	-18
5Y Ratio	80%	+3%	+10%	+15%	-8%
10Y Ratio	80%	+2%	+5%	+13%	-9%
30Y Ratio	93%	+2%	+1%	+11%	-8%

Municipal Market New Issue Volume (National)



Municipal Mutual Fund and ETF Flows



Sources: Morgan Stanley Matrix, SDC, Bloomberg as of 4/17/2025

Morgan Stanley

Pricing Views. 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 Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout, as needed, when writing the scale. Base your scale on an uninsured financing given the FHCF’s strong current underlying ratings of Aa3/AA/AA/AA (Moody’s / S&P / Fitch / Kroll).

FHCF Pricing Views: 30-Year Tax-Exempt Scale ¹					
Year	Maturity	MMD (4/16/2025) ⁽¹⁾	Spread (bps)	Coupon	Yield
1	2026	3.03%	14	5.00%	3.17%
2	2027	3.05%	16	5.00%	3.21%
3	2028	3.07%	18	5.00%	3.25%
4	2029	3.13%	20	5.00%	3.33%
5	2030	3.18%	22	5.00%	3.40%
6	2031	3.23%	24	5.00%	3.47%
7	2032	3.30%	26	5.00%	3.56%
8	2033	3.35%	28	5.00%	3.63%
9	2034	3.43%	30	5.00%	3.73%
10	2035	3.50%	32	5.00%	3.82%
11	2036	3.57%	35	5.00%	3.92%
12	2037	3.63%	35	5.00%	3.98%
13	2038	3.68%	35	5.00%	4.03%
14	2039	3.75%	35	5.00%	4.10%
15	2040	3.85%	35	5.00%	4.20%
16	2041	3.96%	35	5.00%	4.31%
17	2042	4.05%	35	5.00%	4.40%
18	2043	4.13%	35	5.00%	4.48%
19	2044	4.21%	35	5.00%	4.56%
20	2045	4.27%	35	5.00%	4.62%
21	2046				
22	2047				
23	2048				
24	2049				
25	2050	4.42%	35	5.25%	4.77%
26	2051				
27	2052				
28	2053				
29	2054				
30	2055	4.49%	35	5.25%	4.84%

Notes:

(1) Assumes 10-year par call on 7/1/2035

(2) Based on July Interpolated MMD on 4/16/2025

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) 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/AA (Moody’s / S&P / Fitch / Kroll).

FHCF Pricing Views: 30-Year Taxable Scale ¹					
Year	Maturity	UST (4/16/2025)	Spread (bps)	Coupon	Yield
1	2026	3.78%	75	4.53%	4.53%
2	2027	3.78%	80	4.58%	4.58%
3	2028	3.78%	85	4.63%	4.63%
4	2029	3.91%	90	4.81%	4.81%
5	2030	3.91%	95	4.86%	4.86%
6	2031	4.08%	105	5.13%	5.13%
7	2032	4.08%	110	5.18%	5.18%
8	2033	4.28%	105	5.33%	5.33%
9	2034	4.28%	110	5.38%	5.38%
10	2035	4.28%	115	5.43%	5.43%
11	2036	4.28%	118	5.46%	5.46%
12	2037	4.28%	121	5.49%	5.49%
13	2038	4.28%	124	5.52%	5.52%
14	2039	4.28%	127	5.55%	5.55%
15	2040	4.28%	130	5.58%	5.58%
16	2041				
17	2042				
18	2043				
19	2044				
20	2045	4.75%	120	5.95%	5.95%
21	2046				
22	2047				
23	2048				
24	2049				
25	2050				
26	2051				
27	2052				
28	2053				
29	2054				
30	2055	4.75%	130	6.05%	6.05%

Notes:

(1) Assumes Make-Whole Call

Morgan Stanley

3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event conservative 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	3.5 to 5	5 to 7	8.5 to 12
12-24 Months	2 to 4	3 to 5	5 to 9

Notes:

- There is no overlap in tax-exempt and taxable capacity
- This assumes a range of maturities structured to meet market demand and capacity

Morgan Stanley

G-23 and Municipal Advisor Disclosure

(a) Morgan Stanley & Co. LLC (“Morgan Stanley”) is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (b) Morgan Stanley is acting for its own interests; (c) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material; and (d) Morgan Stanley seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of serving as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm’s-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the issuer and obligated persons.

Any non-historical interest rates used herein are hypothetical and take into consideration conditions in today’s market and other factual information such as the issuer’s or obligated person’s credit rating, geographic location and market sector. As such, these rates should not be viewed as rates that Morgan Stanley guarantees to achieve for the transaction. Any information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Morgan Stanley guarantees to achieve for the transaction.

Disclaimer

This information was prepared by Morgan Stanley sales, trading, banking or other non-research personnel. This is not a research report and the views or information contained herein should not be viewed as independent of the interest of Morgan Stanley trading desks. Such interest may conflict with your interests and recipients should be mindful of such potential conflicts of interest when reviewing this information. The views of the trading desk may differ from those of the Research Department or others at Morgan Stanley. Morgan Stanley may deal as principal in or own or act as market maker or liquidity provider for the securities/instruments (or related derivatives) mentioned herein. The trading desks may engage in a variety of trading activities (which may conflict with the position an investor may have) before or after providing this information, including accumulation of a position in the subject securities/instruments based on the information contained herein or otherwise. Morgan Stanley may also perform or seek to perform investment banking services for the issuers of the securities and instruments mentioned herein. Morgan Stanley is not a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Please see additional important information and qualifications at the end of this material.

This material was prepared by sales, trading, banking or other non-research personnel of one of the following: Morgan Stanley & Co. LLC, Morgan Stanley & Co. International plc, Morgan Stanley MUFG Securities Co., Ltd., Morgan Stanley Capital Group Inc. and/or Morgan Stanley Asia Limited (together with their affiliates, hereinafter “Morgan Stanley”). Unless otherwise indicated, the views herein (if any) are the author’s and may differ from those of the Morgan Stanley Research Department or others in the Firm. This information should be treated as confidential and is being delivered to sophisticated prospective investors in order to assist them in determining whether they have an interest in the type of instruments described herein and is solely for internal use.

This material does not provide investment advice or offer tax, regulatory, accounting or legal advice. By submitting this document to you, Morgan Stanley is not advising you to take any particular action based on the information, opinions or views contained in this document, and acceptance of such

Morgan Stanley

document will be deemed by you acceptance of these conclusions. You should consult with your own municipal, financial, accounting and legal advisors regarding the information, opinions or views contained in this document. Unless stated otherwise, the material contained herein has not been based on a consideration of any individual client circumstances and as such should not be considered to be a personal recommendation. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security, commodity, futures contract or instrument or related derivative (hereinafter "instrument") or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the instrument or trading strategy and received all information it required to make its own investment decision, including, where applicable, a review of any prospectus, prospectus supplement, offering circular or memorandum describing such instrument or trading strategy. That information would supersede this material and contain information not contained herein and to which prospective participants are referred. If this material is being distributed in connection with or in advance of the issuance of asset backed securities, information herein regarding any assets backing any such securities supersedes all prior information regarding such assets. Unless otherwise specifically indicated, all information in these materials with respect to any third party entity not affiliated with Morgan Stanley has been provided by, and is the sole responsibility of, such third party and has not been independently verified by Morgan Stanley or its affiliates or any other independent third party. We have no obligation to tell you when information herein is stale or may change. We make no express or implied representation or warranty with respect to the accuracy or completeness of this material, nor are we obligated to provide updated information on the instruments mentioned herein. Further, we disclaim any and all liability relating to this material.

To the extent any prices or price levels are noted, they are for informational purposes only and are not intended for use by third parties, and are indicative as of the date shown and are not a commitment by Morgan Stanley to trade at any price.

This material may have been prepared by or in conjunction with Morgan Stanley trading desks that may deal as principal in or own or act as market maker or liquidity provider for the instruments or issuers mentioned herein and may also seek to advise issuers of such instruments. Where you provide us with information relating to your order or proposed transaction ("Information"), we may use that Information to facilitate the execution of your orders or transactions, in managing our market making, other counterparty facilitation activities or otherwise in carrying out our legitimate business (which may include, but is not limited to, hedging a risk or otherwise limiting the risks to which we are exposed). Counterparty facilitation activities may include, without limitation, us taking a principal position in relation to providing counterparties with quotes or as part of the ongoing management of inventories used to facilitate counterparties. Where we commit our capital in relation to either ongoing management of inventories used to facilitate clients, or in relation to providing you with quotes we may make use of that information to enter into transactions that subsequently enable us to facilitate clients on terms that are competitive in the prevailing market conditions. Trading desk materials are not independent of the proprietary interests of Morgan Stanley, which may conflict with your interests. Morgan Stanley may also perform or seek to perform investment banking services for the issuers of instruments mentioned herein.

Morgan Stanley

The value of and income from investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities, prices of instruments or securities, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in instruments (or related derivatives) transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and Morgan Stanley does not represent that any such assumptions will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. Some of the information contained in this document may be aggregated data of transactions executed by Morgan Stanley that has been compiled so as not to identify the underlying transactions of any particular customer.

Notwithstanding anything herein to the contrary, Morgan Stanley and each recipient hereof agree that they (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal and state income tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to the tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state income tax treatment of the transaction and does not include information relating to the identity of the parties, their affiliates, agents or advisors.

This information is not intended to be provided to and may not be used by any person or entity in any jurisdiction where the provision or use thereof would be contrary to applicable laws, rules or regulations.

For additional information, research reports and important disclosures see <https://secure.ms.com/servlet/cls>. The trademarks and service marks contained herein are the property of their respective owners. Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

This material may not be redistributed without the prior written consent of Morgan Stanley.

© 2025 Morgan Stanley

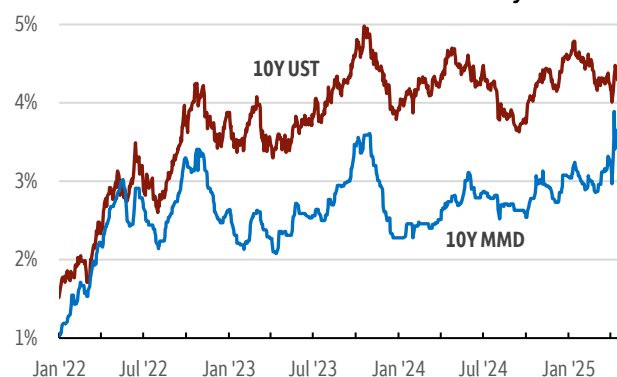
To: Florida Hurricane Catastrophe Fund
From: Wells Fargo Corporate and Investment Banking
Date: April 21, 2025
Re: Florida Hurricane Catastrophe Fund Bonding Capacity Estimate for May 2025

Wells Fargo Corporate and Investment Banking (“Wells Fargo”) is pleased to provide the Florida Hurricane Catastrophe Fund (“FHCF”) with our estimate of FHCF’s bonding capacity for May 2025. 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- to 12-month and 12- to 24-month periods. Please contact any member of the Wells Fargo team if we can provide additional information or address any questions regarding these estimates. Wells Fargo appreciates the opportunity to present our estimate of FHCF’s current bonding capacity.

Market Commentary¹

Since the announcement of the Trump Administration’s tariff plans in early April, the market has been extremely volatile. While a 90-day pause on most tariffs was adopted on April 9th, there remains an elevated level of volatility and market commentary seems to focus on elevated inflation *and* recession risks. Last week \$1.26 billion of outflows occurred from municipal bond mutual funds, marking the sixth consecutive week of outflows. Year-to-date, however, flows remain marginally positive at +\$5.3 billion. Given uncertainty around final tariff levels and elevated volatility, conditions could improve or deteriorate at rapid speeds, and we will monitor and keep you apprised of market developments that may impact FHCF’s bonding capacity.

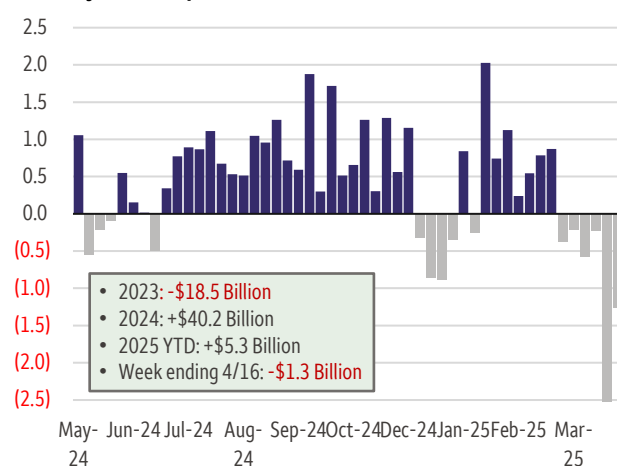
Historical 10Y UST and MMD Since January 2022²



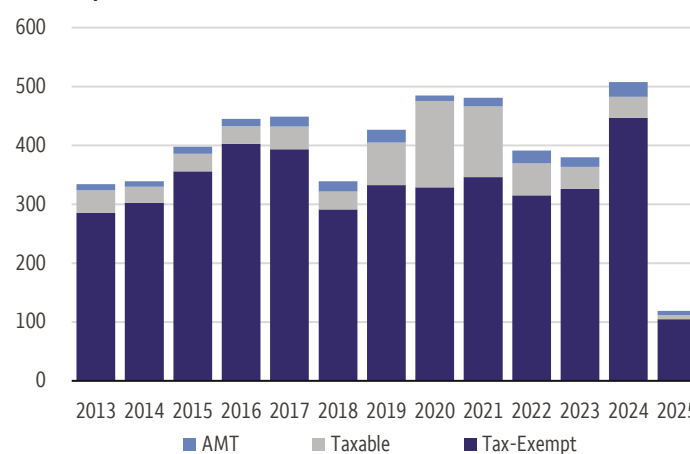
Wells Fargo Economist Interest Rate Projections³

	2025				2026
	Current	Q2	Q3	Q4	Q1
Fed Funds Rate	4.50%	4.25%	3.75%	3.25%	3.25%
5-Year UST	3.91%	3.65%	3.45%	3.35%	3.50%
10-Year UST	4.29%	4.00%	3.85%	3.75%	3.90%
30-Year UST	4.74%	4.50%	4.40%	4.35%	4.45%

Weekly Municipal Bond Fund Flows (\$Bn)⁴



Municipal Issuance (\$Bn)⁵



¹ Sources: Thomson Reuters TM3, Ipreo, Bloomberg, The Bond Buyer, The iMoneyNet – Money Fund Report, as of April 17, 2025.

² Sources: US Treasury, Thomson Reuters TM3, from September 2, 2020 to April 16, 2025.

³ Rates as of April 16, 2025. Forecast published by the Wells Fargo Economics Group, as of April 8, 2025.

⁴ Source: LSEG Lipper Global Fund Flows, as of April 16, 2025; Note: Only represents data for funds that report weekly.

⁵ Source: The Bond Buyer, through March 31, 2025. Data reports monthly.

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout, as needed, when writing the scale. Base your scale on an uninsured financing given the FHCF’s strong current underlying ratings of Aa3/AA/AA/AA (Moody’s/S&P/Fitch/Kroll).

Please note that the tax-exempt scale shown below assumes that the bonds would be issued with a 10-year par call option. Bond prices shown in the table assume a delivery date of July 8, 2025 and term bond maturities in 2050 and 2055.

Florida Hurricane Catastrophe Fund Indicative Tax-Exempt Scale Market Rates as of COB April 16, 2025						
Maturity	I-MMD Index Rate	Spread (bps)	Coupon	Yield-to- Worst	Price (\$)	Yield-to- Maturity
7/1/2026	3.03%	+45	5.00%	3.48%	101.452	-
7/1/2027	3.05%	+48	5.00%	3.53%	102.787	-
7/1/2028	3.07%	+50	5.00%	3.57%	104.008	-
7/1/2029	3.13%	+52	5.00%	3.65%	104.958	-
7/1/2030	3.18%	+53	5.00%	3.71%	105.816	-
7/1/2031	3.23%	+55	5.00%	3.78%	106.475	-
7/1/2032	3.30%	+57	5.00%	3.87%	106.853	-
7/1/2033	3.35%	+59	5.00%	3.94%	107.197	-
7/1/2034	3.43%	+60	5.00%	4.03%	107.247	-
7/1/2035	3.50%	+63	5.00%	4.13%	107.056	-
7/1/2036	3.57%	+66	5.00%	4.23%	106.215	4.28%
7/1/2037	3.63%	+68	5.00%	4.31%	105.548	4.40%
7/1/2038	3.68%	+68	5.00%	4.36%	105.133	4.47%
7/1/2039	3.75%	+68	5.00%	4.43%	104.556	4.56%
7/1/2040	3.85%	+68	5.00%	4.53%	103.739	4.65%
7/1/2041	3.96%	+70	5.00%	4.66%	102.688	4.76%
7/1/2042	4.05%	+70	5.00%	4.75%	101.967	4.83%
7/1/2043	4.13%	+70	5.00%	4.83%	101.332	4.89%
7/1/2044	4.21%	+70	5.00%	4.91%	100.702	4.94%
7/1/2045	4.27%	+70	5.00%	4.97%	100.232	4.98%
7/1/2046	4.32%	-	-	-	-	-
7/1/2047	4.35%	-	-	-	-	-
7/1/2048	4.38%	-	-	-	-	-
7/1/2049	4.40%	-	-	-	-	-
7/1/2050	4.42%	+75	5.25%	5.17%	100.616	5.21%
7/1/2051	4.44%	-	-	-	-	-
7/1/2052	4.46%	-	-	-	-	-
7/1/2053	4.47%	-	-	-	-	-
7/1/2054	4.48%	-	-	-	-	-
7/1/2055	4.49%	+75	5.25%	5.24%	100.075	5.24%

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Wednesday, April 16th. This scale should be the one that you believe reflects a “market” scale given the FHCF’s strong credit with no capacity constraints. Please use serial bonds and 15, 20, 25, and/or 30-year term bonds, as needed, over a 30-year amortization period (7/1/26 - 7/1/55) with par-ish coupons throughout when writing the scale. Again, base the scale on the FHCF’s current underlying ratings of Aa3/AA/AA/AA (Moody’s/S&P/Fitch/Kroll).

Please note that the indicative taxable scale shown below assumes that the bonds would be issued with a 10-year par call option. Bond prices shown in the table assume a delivery date of July 8, 2025.

Florida Hurricane Catastrophe Fund Indicative Taxable Scale Market Rates as of COB April 16, 2025						
Maturity	Benchmark UST Rate	Spread (bps)	Coupon	Yield	Price (\$)	Yield-to- Maturity
7/1/2026	3.798%	-	-	-	-	--
7/1/2027	3.798%	-	-	-	-	--
7/1/2028	3.797%	+90	4.697%	4.697%	100.000	--
7/1/2029	3.938%	-	-	-	-	--
7/1/2030	3.938%	+100	4.938%	4.938%	100.000	--
7/1/2031	4.119%	-	-	-	-	--
7/1/2032	4.119%	+115	5.269%	5.269%	100.000	--
7/1/2033	4.325%	-	-	-	-	--
7/1/2034	4.325%	-	-	-	-	--
7/1/2035	4.325%	+125	5.575%	5.575%	100.000	--
7/1/2036	4.325%	-	-	-	-	--
7/1/2037	4.325%	-	-	-	-	--
7/1/2038	4.325%	-	-	-	-	--
7/1/2039	4.325%	-	-	-	-	--
7/1/2040	4.325%	-	-	-	-	--
7/1/2041	4.811%	-	-	-	-	--
7/1/2042	4.811%	-	-	-	-	--
7/1/2043	4.811%	-	-	-	-	--
7/1/2044	4.811%	-	-	-	-	--
7/1/2045	4.811%	+135	6.161%	6.161%	100.000	--
7/1/2046	4.811%	-	-	-	-	--
7/1/2047	4.811%	-	-	-	-	--
7/1/2048	4.811%	-	-	-	-	--
7/1/2049	4.811%	-	-	-	-	--
7/1/2050	4.811%	-	-	-	-	--
7/1/2051	4.811%	-	-	-	-	--
7/1/2052	4.811%	-	-	-	-	--
7/1/2053	4.811%	-	-	-	-	--
7/1/2054	4.811%	-	-	-	-	--
7/1/2055	4.811%	+150	6.311%	6.311%	100.000	--

- 3. Please provide us with your firm's opinion on the potential tax-exempt and/or taxable post-event conservative 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.**

We estimate that FHCF could issue between \$10.0 and \$14.0 billion in combined tax-exempt and taxable bonds over a 24-month time horizon. The capacity estimates shown in the table below assume FCHF 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. The scales that we included on the prior pages for taxable and tax-exempt FHCF bonds reflect market conditions as of April 16, 2025 and assume a \$3 billion issuance amortized in discrete \$100 million amounts over 30 years. We believe this level of issuance falls well within the market's current capacity for FHCF's debt.

Our bonding capacity estimates have not changed since our October 2024 memorandum.

FHCF Post-Event Market Capacity			
Time Period	Tax-Exempt	Taxable	Total
0-12 Months	\$3.0 - \$4.0 billion	\$3.0 - \$4.0 billion	\$6.0 - \$8.0 billion
12-24 Months	\$2.0 - \$3.0 billion	\$2.0 - \$3.0 billion	\$4.0 - \$6.0 billion

IMPORTANT INFORMATION AND DISCLAIMER

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes only. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

Wells Fargo Corporate & Investment Banking and Wells Fargo Securities (each referred to herein as “CIB” and may be referred to elsewhere as “WFS”) are trade names used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company (“WFC”) and its subsidiaries, including but not limited to Wells Fargo Bank, N.A. (“WFBNA”), a member of the National Futures Association, and Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA which is registered with the U.S. Securities and Exchange Commission (“SEC”) as a municipal securities dealer.

Commercial banking products and services are provided by Wells Fargo Bank, N.A. (“WFBNA”). Investment banking and capital markets products and services provided by CIB are not a condition to any banking product or service.

CIB, as potential underwriter or placement agent (together with any of its affiliates as context may require, “we”, or “Wells Fargo”) is providing the information contained in the Materials for discussion purposes only in anticipation of, or in connection with, engaging in arm’s length commercial transactions with you in which Wells Fargo would be acting solely as a principal or agent, as applicable, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether we have or are currently acting as such on a separate transaction (the use of the term “agent” does not imply any fiduciary relationship).

These Materials are being provided to you for the purpose of working with you as an underwriter or placement agent (collectively, “underwriter”) on the transaction(s) described in the Materials. As part of its services as underwriter, CIB may provide information concerning the structure, timing, terms, and other similar matters concerning the issue of municipal securities that CIB proposes to underwrite as described in the Materials. The Materials may also contain such information. Any such information has been, and would be, provided by CIB in the context of serving as an underwriter and not as your municipal or financial advisor. Additionally, CIB, as underwriter, has financial and other interests that differ from your interests (or those of the issuer). In its capacity as underwriter, CIB’s primary role would be to purchase securities from you (or the issuer in the case of a conduit transaction) for resale to investors, or arrange for the placement of securities with investors on your behalf. Wells Fargo will not have any duties or liability to any person or entity in connection with the information being provided in the Materials. The information provided herein is not intended to be and should not be construed as advice within the meaning of Section 15B of the Securities Exchange Act of 1934, and Wells Fargo will not be acting as your municipal advisor under the municipal advisor rules (“Muni Advisor Rules”) of the SEC and the SEC’s guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014, as supplemented (collectively, “Muni Advisor Rules”). If you would like a municipal advisor that has legal fiduciary duties to you, you are certainly free to engage a municipal advisor to serve in that capacity.

CIB distributes municipal securities to institutional investors primarily through Wells Fargo Bank, N.A. Municipal Finance Group (“WFBNA MFG”) and Wells Fargo Securities, LLC (“WFSLLC”). Distribution to middle market clients is provided primarily through WFSLLC. Retail distribution is primarily provided by Wells Fargo Advisors, which is the trade name used by Wells Fargo Clearing Services, LLC (“WFCS”) and Wells Fargo Advisors Financial Network, LLC (“WFAFN”), two non-bank separate registered broker-dealers (members FINRA and SIPC). WFSLLC, WFBNA MFG, WFCS, and WFAFN are affiliates and are each wholly-owned subsidiaries of WFC.

Any municipal underwriting, commercial paper and remarketing rankings referenced herein represent combined totals for WFBNA MFG and WFSLLC. Non-municipal underwriting, commercial paper and remarketing rankings referenced herein represent totals for WFSLLC only. Any secondary market trading data or information referenced herein represents the secondary market trading data or information of WFBNA MFG and/or WFSLLC unless otherwise noted. Source information for any ranking information not otherwise provided herein is available on request.

If the Materials are being provided to you under any of the following events, the information contained in the Materials and any subsequent discussions between us, including any and all information, advice, recommendations, opinions, indicative pricing, quotations and analysis with respect to any issuance of municipal securities, are provided to you in reliance upon the Bank, RFP, IRMA exemptions and underwriter exclusion, as applicable, provided under the Muni Advisor Rules. In the event the Bank, RFP, IRMA exemptions, or underwriter exclusion do not apply, the information included in the Materials are provided in reliance on the general information exclusion to advice under the Muni Advisor Rules.

Any information related to a bank-purchased bond transaction (“Direct Purchase”) included in the Materials is a product offering of WFBNA or a subsidiary thereof as purchaser / investor (“Purchaser”). CIB will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of CIB. The information contained herein regarding Purchaser’s Direct Purchase is being provided to you by CIB only for purposes of providing financing alternatives that may be available to you from WFC and its affiliates. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Purchaser’s sole role would be to purchase securities from you (or the conduit issuer). Any information relating to a Direct Purchase is being provided to you pursuant to and in reliance on the “Bank exemption” under the Muni Advisor Rules and the general information exclusion to advice under the Muni Advisor Rules.

In the event the Materials are being provided in connection with a RFP, the SEC exempts from the definition of municipal advisor “any person providing a response in writing or orally to a request for proposals or qualifications from a municipal entity or obligated person for services in connection with a municipal financial product or the issuance of municipal securities; provided however, that such person does not receive separate direct or indirect compensation for advice provided as part of such response” (“RFP exemption”). In such event, we have relied upon the RFP exemption, and on your distribution and execution of this RFP through a competitive process. In the event WFBNA MFG is the party providing the Materials, responses to all questions, certifications, attestations, information requests, and similar in the RFP or RFQ to which this response relates are specifically limited to, in context of, and as applied to, WFBNA MFG in its capacity as a separately identifiable department of a national bank that is registered as a municipal securities dealer with the Securities and Exchange Commission, Office of the Comptroller of the Currency, and Municipal Securities Rulemaking Board; and not on behalf of WFBNA, unless specified otherwise in our response.

In the event that you have provided us with your written representation that you are represented by an independent registered municipal advisor (an “IRMA”) within the meaning of the Muni Advisor Rules, with respect to the transaction(s) described in the Materials we have provided you with our written disclosure that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable, and have taken certain other steps to establish the “IRMA exemption” under the Muni Advisor Rules.

In the event that you have engaged us to serve as an underwriter with respect to the municipal securities issuance described in the Materials we have provided you with our written disclosure regarding our role as an underwriter, that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable.

If savings threshold level information is contained herein, please be advised that CIB is not recommending nor providing advice regarding which maturities should be refunded by you.

Informational Purposes Only; Important Information Regarding These Materials

The Materials are provided for general information about the transactions described herein. The Materials do not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation or commitment for any transaction involving the securities or financial products named or described herein, and are not intended as investment advice or as a confirmation of any transaction. Assumptions stated herein may or may not be valid. Externally sourced information contained in the Materials has been obtained or derived from sources we reasonably believe to be reliable, but CIB makes no representation or warranty, express or implied, with respect thereto, and does not represent or guarantee that such information is accurate or complete. Such information is subject to change without notice and CIB accepts no responsibility to update or keep it current. CIB does not assume or accept any liability for any loss which may result from reliance thereon. CIB and/or one or more of its affiliates may provide advice or may from time to time have proprietary positions in, or trade as principal in, any securities or other financial products that may be mentioned in the Materials, or in derivatives related thereto.

Historical data, past trends and past performance do not reflect or guarantee future results. Examples in the Materials are hypothetical only and are not a prediction of future results.

Updating the Materials

We reserve the right to amend, supplement or replace the Materials at any time, and your use of the Materials constitutes your agreement to update the Materials with any such amendments, supplements or replacements we furnish you.

Confidentiality

The information in the Materials is confidential and may not be disclosed by you to anyone without our written consent, other than to your advisors, and judicial or other governmental authorities or regulators having jurisdiction over you (including, without limitation, federal, state or local tax authorities). Notwithstanding anything to the contrary contained in the Materials, all persons may disclose to any and all persons, without limitations of any kind, the U.S. federal, state or local tax treatment or tax structure of any transaction, any fact that may be relevant to understanding the U.S. federal, state or local tax treatment or tax structure of any transaction, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state or local tax treatment or tax structure, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or nonpublic business or financial information that is unrelated to the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer and is not relevant to understanding the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer.

Limitation of Liability

In no event shall Wells Fargo be liable to you or any third party for any direct or indirect, special, incidental, or consequential damages, losses, liabilities, costs or expenses arising directly or indirectly out of or in connection with the Materials.

Wells Fargo does not provide tax advice. Any tax statement herein regarding U.S. federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any penalties. Any such statement herein was written to support the marketing or promotion of a transaction or matter to which the statement relates. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

If you have any questions or concerns about the disclosures presented herein, you should make those questions or concerns known immediately to Wells Fargo.

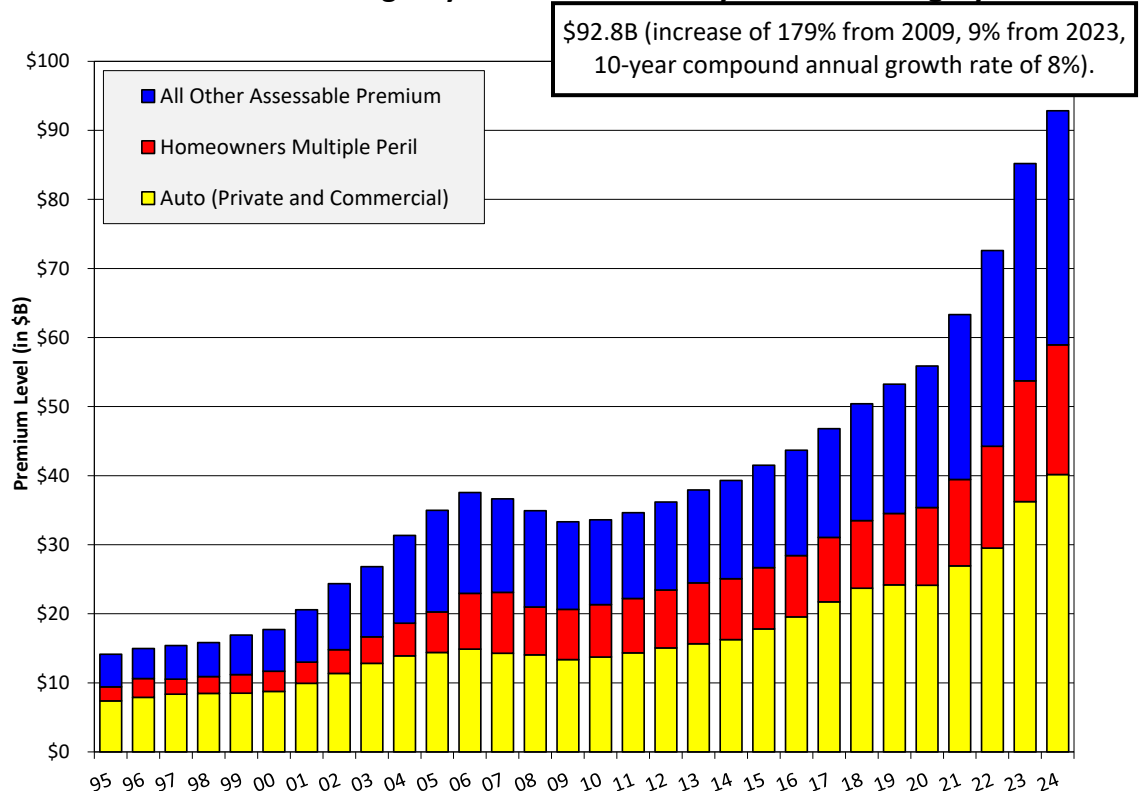


Appendix B – The FHCF’s Emergency Assessment Base

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 2024 (the last official measurement date), totaled approximately \$92.8 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





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%
2017	\$41,844	\$4,973	\$46,817	\$2,809	7.15%
2018	\$44,858	\$5,547	\$50,405	\$3,024	7.66%
2019	\$47,033	\$6,205	\$53,238	\$3,194	5.62%
2020	\$48,827	\$7,066	\$55,892	\$3,354	4.99%
2021	\$54,253	\$9,065	\$63,318	\$3,799	13.29%
2022	\$61,027	\$11,568	\$72,595	\$4,356	14.65%
2023	\$70,287	\$14,917	\$85,204	\$5,112	17.37%
2024	\$76,413	\$16,417	\$92,830	\$5,570	8.95%

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. Medical malpractice has since been permanently exempted.

Average direct written premium increase (geometric mean) from 2000-2024 is 7.28%.



Florida Hurricane Catastrophe Fund

2024 Admitted Market Lines Premiums (\$MM)

Line of Business	2024 Total Assessable Premium
Aircraft (all perils)	\$240.1
Allied lines	\$4,592.0
Boiler and machinery	\$90.8
Burglary and theft	\$28.5
Commercial auto no-fault (personal injury protection)	\$180.6
Commercial auto physical damage	\$780.1
Commercial multiple peril (liability portion)	\$919.3
Commercial multiple peril (non-liability portion)	\$1,478.0
Credit	\$170.6
Earthquake	\$13.4
Farmowners multiple peril	\$21.8
Fidelity	\$72.7
Financial guaranty	\$48.0
Fire	\$1,335.8
Homeowners multiple peril	\$17,660.3
Inland marine	\$2,153.9
Mortgage guaranty	\$454.6
Multiple peril crop	\$278.3
Ocean marine	\$622.7
Other commercial auto liability	\$5,302.5
Other liability - claims-made	\$1,079.2
Other liability - occurrence	\$3,259.6
Other private passenger auto liability	\$17,123.0
Private crop	\$0.5
Private flood	\$142.0
Private passenger auto no-fault (personal injury protection)	\$6,053.0
Private passenger auto physical damage	\$10,472.2
Products liability - claims-made	\$3.1
Products liability - occurrence	\$153.6
Surety	\$797.9
Warranty	\$884.7
Totals	\$76,412.8

Source: Florida Office of Insurance Regulation, Market Research Unit



Florida Hurricane Catastrophe Fund

2024 Surplus Lines Premiums (\$MM)

		2024 Surplus Lines Premiums (\$MM)			2024 Surplus Lines Premiums (\$MM)
Coverage Code			Coverage Code		
1000	Commercial Property	\$6,230.4	3004	Ship Repairers Legal Liability	\$3.3
1001	Builders Risk - Commercial	\$467.1	3005	Stevedores Legal Liability	\$0.0
1002	Business Income	\$0.1	3006	Personal & Pleasure Boats & Yachts	\$79.9
1003	Apartments - Commercial	\$6.2	3007	Ocean Marine Builders Risk	\$1.2
1004	Boiler and Machinery	\$17.0	3008	Longshoremen (Jones Act)	\$0.0
1005	Commercial Package	\$840.1	4000	Inland Marine - Commercial	\$113.8
1006	Condominium Package - Commercial	\$152.8	4001	Inland Marine - Personal	\$19.0
1007	Crop Hail	\$0.0	4002	Motor Truck Cargo	\$29.5
1008	Difference In Conditions	\$37.5	4003	Jewelers Block	\$8.3
1009	Earthquake	\$1.3	4004	Furriers Block	\$0.0
1010	Flood - Commercial	\$72.6	4005	Contractors Equipment	\$3.9
1011	Glass - Commercial	\$0.0	4006	Electronic Data Processing	\$0.0
1012	Mortgage Impairment	\$15.7	5000	Commercial General Liability	\$2,472.7
1013	Windstorm and/or Hail - Commercial	\$451.3	5001	Commercial Umbrella Liability	\$220.4
1014	Mold Coverage - Commercial	\$1.5	5002	Directors & Officers Liability - Profit	\$79.9
1015	Sinkhole Coverage - Commercial	\$0.0	5003	Directors & Officers Liability - Non-Profit	\$16.1
1016	Excess Flood - Commercial	\$30.7	5004	Educator Legal Liability	\$2.0
1017	Collateral Protection (Force Placed Coverage)	\$50.1	5005	Employment Practices Liability	\$37.5
1100	Bankers Blanket Bond	\$1.5	5006	Excess Commercial General Liability	\$1,318.4
1101	Blanket Crime Policy	\$1.1	5007	Excess Personal Liability	\$21.5
1102	Employee Dishonesty	\$0.1	5008	Liquor Liability	\$16.2
1103	Identity Theft	\$0.1	5009	Owners & Contractors Protective Liability	\$9.7
1104	Deposit Forgery	\$0.0	5010	Personal Umbrella	\$19.9
1105	Miscellaneous Crime	\$5.1	5011	Personal Liability	\$55.8
1200	Accident & Health	\$0.0	5012	Pollution & Environment Liability	\$126.8
1201	Credit Insurance	\$20.0	5013	Product & Completed Operations Liability	\$27.1
1202	Animal Mortality	\$0.3	5014	Public Officials Liability	\$5.5
1203	Mortgage Guaranty	\$0.4	5015	Police Professional Liability	\$1.0
1204	Worker's Compensation-Excess Only	\$0.0	5016	Media Liability	\$5.5
1205	Product Recall	\$15.8	5017	Railroad Protective Liability	\$14.1
1206	Kidnap/Ransom	\$0.3	5018	Asbestos Removal & Abatement	\$0.0
1207	Surety	\$34.6	5019	Guard Service Liability	\$0.0
1208	Weather Insurance	\$0.7	5020	Special Events Liability	\$14.5
1209	Prize Indemnification	\$2.1	5021	Miscellaneous Liability	\$228.8
1210	Travel Accident	\$0.3	5022	Cyber Liability	\$286.5
1211	Terrorism	\$36.3	6000	Hospital Professional Liability	\$0.0
1212	Fidelity	\$1.3	6001	Miscellaneous Medical Professionals	\$0.0
1213	Deductible Buyback - Property	\$81.6	6002	Nursing Home Professional Liability	\$0.0
1214	Parametric or Index-Based - Commercial	\$5.1	6003	Physician/Surgeon, Dentist Professional Liability	\$0.0
1215	Parametric or Index-Based - Personal	\$0.0	7000	Architects & Engineers Liability	\$55.3
2000	Homeowners-HO-1	\$19.8	7001	Insurance Agents & Brokers E&O	\$23.7
2001	Homeowners-HO-2	\$3.6	7002	Lawyers Professional Liability	\$56.3
2002	Homeowners-HO-3	\$657.0	7003	Miscellaneous E&O Liability	\$321.0
2003	Homeowners-HO-4 - Tenant	\$26.6	7004	Real Estate Agents E&O	\$5.9
2004	Homeowners-HO-5	\$185.2	7005	Software Design Computer E&O	\$6.1
2005	Homeowners-HO-6 - Condo Unit Owners	\$186.3	8000	Commercial Auto Liability	\$174.7
2006	Homeowners-HO-8	\$22.5	8001	Commercial Auto Excess Liability	\$26.9
2007	Builders Risk - Residential	\$58.5	8002	Commercial Auto Physical Damage	\$50.4
2008	Flood - Personal	\$130.4	8003	Dealers Open Lot	\$43.5
2009	Dwelling Property	\$143.6	8004	Garage Liability	\$59.1
2010	Farmowners Multi-Peril	\$2.1	8005	Garage Keepers Legal	\$2.9
2011	Mobile Homeowners	\$29.6	8006	Private Passenger Auto-Physical Damage Only	\$1.0
2012	Windstorm - Residential	\$63.8	8007	Personal Excess Auto Liability	\$1.1
2013	Mold Coverage - Residential	\$0.1	9000	Commercial Aircraft Hull and/or Liability	\$45.4
2014	Sinkhole Coverage - Residential	\$0.0	9001	Airport Liability	\$5.7
2015	Excess Flood - Personal	\$37.7	9002	Aviation Cargo	\$7.8
3000	Marina Operators Legal Liability	\$2.1	9003	Aviation Product Liability	\$28.8
3001	Marine Liabilities Package	\$16.8	9004	Hangarkeepers Legal Liability	\$0.1
3002	Ocean Marine-Hull and/or Protection & Indemnity	\$34.0	9005	Personal & Pleasure Aircraft	\$0.4
3003	Ocean Cargo Policy	\$61.1			
			Totals		\$16,417

Source: FSLSO

Based on policies with a submitted (filed) date from 1/1/24 to 12/31/24.