REPORT PREPARED FOR THE
FLORIDA HURRICANE CATASTROPHE FUND

CLAIMS-PAYING CAPACITY ESTIMATES

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SECTION		PAGE
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 and investment earnings thereon

(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

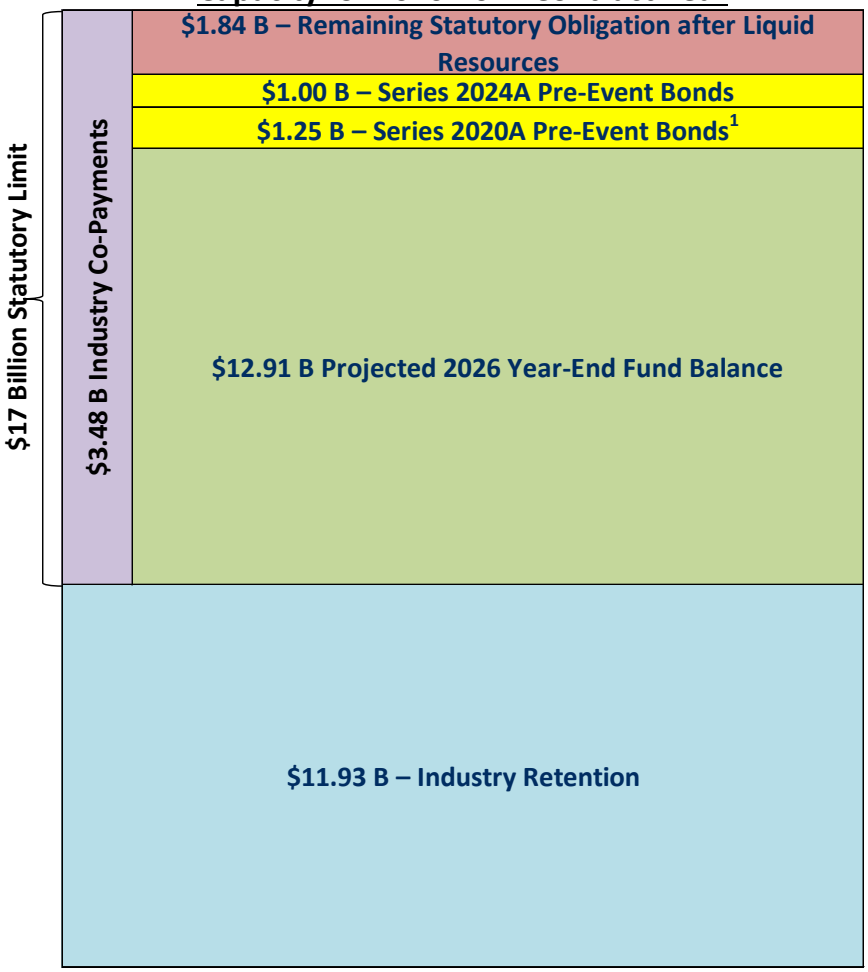
(5) Investment earnings on emergency assessments

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 2026-2027 Contract Year and the preliminary estimate for the following or 2027-2028 Contract Year 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 2026-2027 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 reserve adjustments for prior 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 81.63%. The $17 billion of FHCF statutory limit includes an allowance of 10% for loss adjustment expenses.

FHCF Statutory Limit and Estimated Claims-Paying Capacity for 2026-2027 Contract Year



Numbers may not add due to rounding. Not drawn to scale

[1] While $3.25 billion of pre-event bonds are outstanding as of September 30, 2026, this analysis assumes $2.25 billion of available pre-event bond proceeds, reflecting the scheduled maturity of $1.0 billion on July 1, 2027.

The FHCF's Projected Fund Balance is net of the estimated total loss for hurricanes occurring in prior years. As of September 30, 2026, Paragon estimates total FHCF losses of $6.80 billion for Hurricane Ian, $1.00 million for Hurricane Idalia, $10.00 million for Hurricane Helene, and $500.00 million for Hurricane Milton, with no losses expected from Hurricane Debby. The estimated ultimate loss for all prior year events was $7.31 billion as of September 30, 2026, which is $700 million lower than the estimated ultimate loss of $8.01 billion as of the May 2026 Bonding Capacity Report.

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 loss in the FHCF layer. 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 143 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, Moody's Company Retention Limit ($ in B)	Return Times (Yrs) for Aggregate Verisk, Moody's Company Retention Limit
$1.00 Billion FHCF Layer	1.00	10.59	8.88
$6.80 Billion FHCF Layer (Ian Level)	6.80	21.47	16.91
$10.00 Billion FHCF Layer	10.00	26.92	21.48
Projected Remaining Fund Balance Exhausted	12.91	33.58	28.86
Pre-Event Bonds Exhausted	15.16	41.99	39.46
1-in-100 Year Event	16.73	72.93	100.00
Maximum Statutory Limit	17.00	109.83	250.00

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.

II. The Process

In order to estimate the FHCF's borrowing capacity for the 2026 and 2027 seasons, we took the following three steps:

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

(1) Evaluated market conditions for the FHCF using our internal resources. Raymond James & Associates, Inc. ("Raymond James"), a full service broker-dealer with over $30 billion in market capitalization (RJF, www.raymondjames.com), serves as the independent 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 for approximately $48 billion of portfolios. 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 $1.9 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 top 10 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 major constraint, if any in the future, for the FHCF in achieving its maximum reimbursement obligation is potential limitation of market access and capacity, not a lack of assessment capability or credit strength

The FHCF has very strong debt repayment capabilities. From a credit standpoint, the ability to levy emergency assessments on all property and casualty insurance lines except workers' compensation, medical malpractice, federal flood, and accident and health lines is similar to a statewide sales tax on an essential product with an underlying premium base of $92.12 billion[1]. The FHCF's ability to levy and collect emergency assessments has been proven as it utilized emergency assessments to secure over $2.6 billion of post-event bonds to pay for losses from the 2004/2005 storms. The diversity and 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.

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 $92.12 billion, mean the FHCF has the ability to levy annual assessments of as much as $5.53 billion for losses from hurricanes occurring in one contract year and as much as $9.21 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 needed to meet the statutory limit of the FHCF, even at the current elevated market rates. We have utilized rates of 6.5% for the initial season and 7.5% for the subsequent season in the table on page 15, which are conservatively 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 be unable to access debt capital markets after an event; however, the favorability and accessability 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.

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

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 through 2023. However, recent tort reforms passed by the Florida Legislature have helped the property and casualty insurance industry in the State. As reinsurance markets have stabilized and started to soften, many carriers have experienced an increase in reinsurance capacity at lower prices. As a result, the FHCF's average coverage selection level decreased for 2026 to 81.63%; down from 84.74% in 2025.

The chart below illustrates the FHCF's projected $15.16 billion of liquid resources for the 2026-2027 Contract Year. These liquidity resources have been adjusted for paid losses, loss reserves, and loss estimates as of September 30, 2026, totalling approximately $7.31 billion for Hurricanes Ian, Idalia, Helene, and Milton. This amount is $2.45 billion lower than the reserve projection in the October 2025 Bonding Capacity Report due to favorable reserve development.

FHCF Obligations and Liquidity Resources – 2026-2027 Contract Year	Amount ($B)
Total Potential FHCF Obligations	**$17.00**
Projected 2026 Year-End Fund Balance	**$12.91**
Series 2020A Pre-Event Bonds Balance[1]	**$1.25**
Series 2024A Pre-Event Bonds Balance	**$1.00**
Total Liquidity Resources	**$15.16**
Total Liquidity Resources Below Potential Obligations	**$1.84**

Numbers may not add due to rounding.

[1] While $3.25 billion of pre-event bonds are outstanding as of September 30, 2026, this analysis assumes $2.25 billion of available pre-event bond proceeds, reflecting the Series 2020A scheduled maturity of $1.0 billion on July 1, 2027.

If an event occurs during the 2026-2027 Contract Year and losses are projected to exceed the year-end fund balance of $12.91 billion, the FHCF could draw on its pre-event bond proceeds to make reimbursements and can 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 $2.25 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 bond issuance since 2023 was $3.52 billion. Given the amount of time it takes for losses to develop after a hurricane of 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 2023 has ranged from $8.57-$12.04 billion.

Largest 25 Taxable Municipal Issuances By Par Amount Since 2023				
Rank	Issuer Name (State)	Year of Sale	Issue Description	Par ($MM)
1	Texas Natural Gas Sec Fin Corp	2023	Customer Rate Relief Bonds	$3,522
2	New York City-New York	2026	General Obligation Bonds	$2,300
3	New York City-New York	2025	General Obligation Bonds	$1,880
4	California	2023	Various Purpose GO Bonds	$1,804
5	St Louis Co-Missouri	2023	Industrial Revenue Bonds	$1,800
6	New York City-New York	2025	General Obligation Bonds	$1,750
7	Hawaii	2026	General Obligation Bonds	$1,500
8	New York City-New York	2024	General Obligation Bonds	$1,500
9	Louisiana Gov Env Fac & CDA (LCDA)	2023	System Restoration Bonds	$1,491
10	Florida St Board Admin Fin Corp	2024	Revenue Bonds	$1,000
11	Mobile Airport Authority	2023	Revenue Bonds	$1,000
12	NYS Dorm Authority	2025	Revenue Bonds	$985
13	New York City-New York	2023	General Obligation Bonds	$965
14	California	2023	Various Purpose GO Bonds	$943
15	Hawaii	2023	General Obligation Bonds	$750
16	Hawaii	2024	General Obligation Bonds	$750
17	California	2026	Various Purpose GO Bonds	$740
18	Maryland Eco Dev Corp (MEDCO)	2024	Revenue Bonds	$661
19	Henry Co-Missouri	2024	Revenue Bonds	$650
20	**San Francisco City/Co-California**	**2025**	**General Obligation Bonds**	**$640**
21	New Jersey Trans Trust Fund Auth	2024	Transportation Program Bonds	$639
22	Warren Co-Missouri	2024	Industrial Revenue Bonds	$588
23	Clinton Co-Missouri	2025	Industrial Development Rev Bonds	$522
24	Maricopa Co Industrial Dev Auth	2024	Education Revenue Bonds	$520
25	San Francisco City/Co Public Utility Comm	2024	Wastewater Revenue Bonds	$518

Source: Thomson Financial for long-term negotiated taxable issuances from January 1, 2023 to September 30, 2026.

Largest 25 Tax-Exempt Municipal Issuances By Par Amount Since 2023				
Rank	Issuer Name	Year of Sale	Issue Description	Par ($MM)
1	Wisconsin Public Finance Auth	2025	Sr Lien Toll Revenue Bonds	$3,438
2	Triborough Bridge & Tunnel Auth	2025	Real Est Transfer Tax Rev Bonds	$3,200
3	Florida Development Fin Corp	2024	Revenue Bonds	$3,144
4	California	2026	Various Purpose GO & Ref Bonds	$3,140
5	Los Angeles USD	2024	GO Refunding Bonds	$2,975
6	NYS Dorm Authority	2024	State Personal Inc Tax Rev Bonds	$2,811
7	Southeast Energy Authority	2025	Energy Supply Rev Bonds	$2,698
8	Los Angeles Dept of Airports	2026	Sr Revenue & Ref Rev Bonds	$2,672
9	California	2025	Various Purp GO & Ref Bonds	$2,631
10	California	2024	Various Purpose GO & Ref Bonds	$2,609
11	California	2024	Various Purpose GO & Ref Bonds	$2,584
12	California	2023	Var Purp GO & Ref Bonds	$2,582
13	California	2023	Various Purpose GO & Ref Bonds	$2,553
14	New York Transportation Development Corporation	2024	Special Facilities Revenue Bonds	$2,550
15	Alabama Toll Rd Bridge & Tnl Auth	2026	2nd Lien Toll Revenue BANs	$2,523
16	Regents of the University of California	2025	General Revenue Bonds	$2,500
17	NYS Thruway Authority	2025	State Personal Inc Tax Rev Bonds	$2,446
18	California	2025	Various Purpose GO & Ref Bonds	$2,423
19	Columbus Regional Airport Auth	2025	Airport Revenue Bonds	$2,415
20	California	2026	Various Purpose GO & Ref Bonds	$2,409
21	Illinois	2023	General Obligation & Ref Bonds	$2,311
22	NYC Transitional Finance Auth	2024	Future Tax Secured Sub Bonds	$2,250
23	Jefferson Co-Alabama	2024	Sewer Revenue Warrants	$2,243
24	Regents of the University of California	2025	General Revenue Bonds	$2,200
25	NYS Dorm Authority	2024	State Sales Tax Rev Bonds	$2,146

Source: Thomson Financial for long-term negotiated tax-exempt issuances from January 1, 2023 to September 30, 2026.

Largest 25 Issuers By Issued Par Amount 2023		
Rank	Issuer Name	Par ($MM)
1	**California**	**$8,570**
2	NYC Transitional Finance Authority	$6,968
3	California Comm Choice Fin Authority	$5,483
4	New York City-New York	$5,420
5	Triborough Bridge & Tunnel Authority	$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 Co	$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 Authority**	**$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 Authority	$4,750
9	New York Transportation Development Co	$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		
Rank	Issuer Name	Par ($MM)
1	**NYC Transitional Finance Authority**	**$10,964**
2	NYS Dorm Authority	$10,920
3	New York City-New York	$10,032
4	Southeast Energy Authority	$7,333
5	California	$7,160
6	Public Finance Authority (WI)	$7,093
7	California Community Choice Fin Auth	$6,406
8	The Regents of the University of CA	$5,412
9	Massachusetts Development Finance Agy	$4,915
10	Connecticut	$4,766
11	The Black Belt Energy Gas District	$4,682
12	Massachusetts	$4,107
13	San Antonio-Texas	$4,076
14	Los Angeles Dept of Water & Power	$4,014
15	Washington	$4,008
16	Indiana Finance Authority	$3,965
17	National Finance Authority	$3,518
18	NYC Municipal Water Finance Authority	$3,412
19	Illinois	$3,100
20	Los Angeles Department of Airports	$2,931
21	Illinois Finance Authority	$2,892
22	NYC Housing Development Corporation	$2,849
23	Public Energy Authority of Kentucky	$2,600
24	Chicago-Illinois	$2,569
25	California Municipal Finance Authority	$2,535

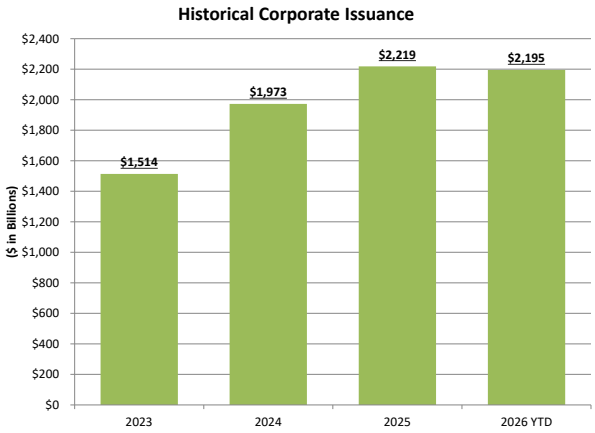
Largest 25 Issuers By Issued Par Amount 2026 YTD		
Rank	Issuer Name	Par ($MM)
1	**Black Belt Energy Gas Dt**	**$12,042**
2	New York City-New York	$8,378
3	California Comm Choice Fin Auth	$7,873
4	NYC Transitional Finance Auth	$7,528
5	NYS Dorm Authority	$6,809
6	California	$6,289
7	Massachusetts Dev Finance Agcy	$5,564
8	Aquarion Water Authority	$4,046
9	NYS Thruway Authority	$3,859
10	Alabama Toll Rd Bridge & Tnl Auth	$3,786
11	Washington	$3,729
12	California Municipal Fin Auth	$3,636
13	Wisconsin Public Finance Auth	$3,469
14	Chicago City-Illinois	$3,278
15	Triborough Bridge & Tunnel Auth	$3,223
16	California Health Facs Fin Auth	$3,160
17	Regents of the University of California	$3,154
18	San Antonio City-Texas	$3,104
19	Austin City-Texas	$2,956
20	Energy Southeast	$2,886
21	Massachusetts	$2,849
22	New Hampshire National Fin Auth	$2,843
23	Los Angeles Dept of Airports	$2,672
24	Illinois	$2,586
25	NYC Municipal Water Fin Auth	$2,403

Source: Thomson Financial for long-term issuances from January 1, 2023 to September 30, 2026.

In reviewing this history of large municipal issuers, however, it is important to note that the FHCF has been a large but relatively infrequent 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 $3.25 billion is currently outstanding. By comparison, for example, since 2023, the State of California has completed 45 long-term bond issues totaling over $27 billion, the New York State Dormitory Authority has completed 86 long-term bond issues totaling over $28 billion, the New York City Transitional Finance Authority has completed 52 long-term bond issues totaling over $30 billion, and the Commonwealth of Massachusetts has completed 39 long-term bond issues totaling approximately $14 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.

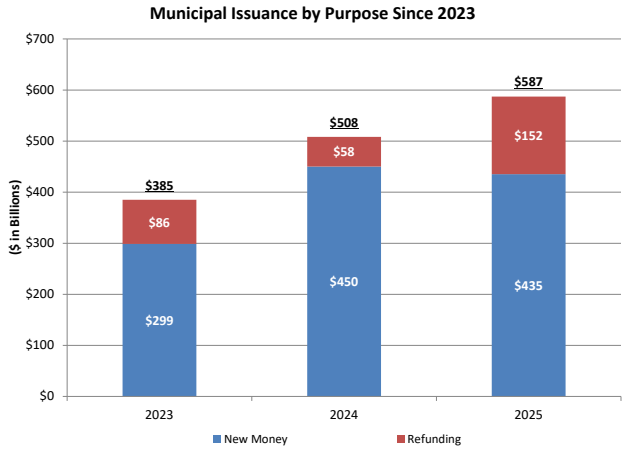
Analysis of potential market acceptance of large amounts of FHCF debt must include not only relevant historical references, but also an evaluation of current market conditions and cash flow needs. Market conditions in both tax-exempt and taxable municipal markets, as well as in the corporate market, are currently volatile with the rapid increase in interest rates since the onset of the conflict in Iran in March 2026. Since October 1, 2025, the 10-year U.S. Treasury and the 10-year MMD have increased by 1.16% and 1.06%, respectively, or from 4.12% to 5.28% and 2.91% to 3.97%.

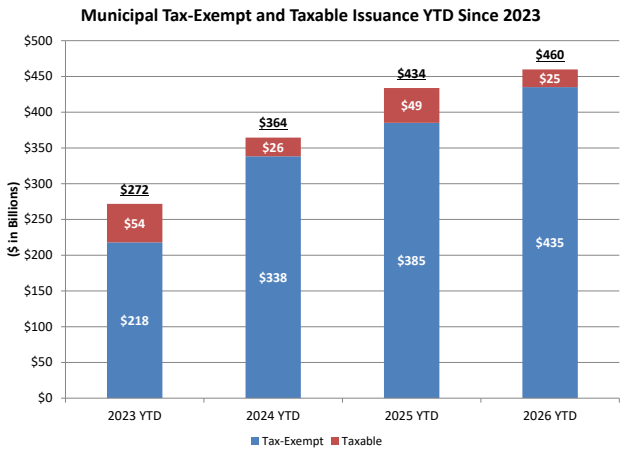
In 2025, corporate issuance was over $2.2 trillion, which was 13% higher than 2024 issuance of $2.0 trillion. The corporate bond market has topped $1 trillion each year since 2011 while rates were historically low and issuance continues to be strong in 2026, but rates have increased dramatically in 2026 due to the conflict in Iran, the uncertainty regarding the Federal Reserve's rate-setting path, the growing federal deficit, and corresponding increased Treasury issuance. Through September 30, 2026, corporate bond issuance is over $2.1 trillion, or 25% above the $1.8 trillion issued over the same time period in 2025 and higher than the full year of issuance for each year over the past ten years except for 2020 when a record-breaking $2.4 trillion was issued due to historically low interest rates.

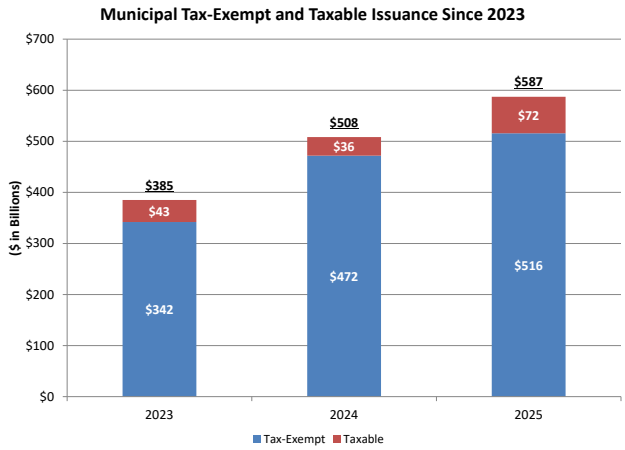


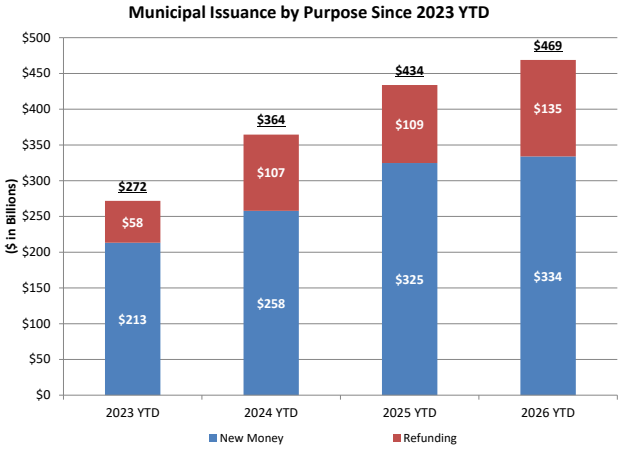
Source: SIFMA, 2025 year-to-date through September 30, 2026

For 2025, municipal long-term issuance was 16% higher as compared to 2024 with $587 billion of issuance. For year-to-date 2026, municipal long-term issuance is $460 billion and is 7% higher compared to the $432 billion issued over the same time period in 2025.









Source: Thomson Financial for municipal long-term issuances from January 1, 2023 to September 30, 2026.

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 large FHCF post-event bond issuances would likely be included in the major market indexes that investors use to track market performance, so institutional money managers may have a strong additional incentive to buy FHCF bonds, particularly if they are offered at interest rates marginally higher than other similarly rated credits.

Insurers should be aware of the significant impact of financial market conditions on FHCF's claims-paying ability for the 2026-2027 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 even in uncertain times.

Financial markets can be volatile, especially in today's macro-economic and geopolitical environment, and while the global risk transfer markets are currently strong, there is always a risk of volatility in the global risk transfer markets in the future, which could pose additional risks for global insurers and Florida domestic insurers relying on global risk transfer markets and 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 $7.10 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 6.5% for the initial season and 7.5% 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-$3.5B	$3-$4B	$3-$4B	$3.0B
12-24 Months	$2-$3B	$3.5-$4B	$3-$4B	$2-$3B	$3.1B
Total tax-exempt	*$3.5-$5B*	*$6.5-$7.5B*	*$6-$8B*	*$5-$7B*	*$6.1B*
Taxable:					
0-12 Months	$3-$5B	$4-$4.5B	$4-$5B	$3-$4B	$4.1B
12-24 Months	$3-$5B	$4-$5B	$4-$5B	$2-$3B	$3.9B
Total taxable	*$6-$10B*	*$8-$9.5B*	*$8-$10B*	*$5-$7B*	*$8.0B*
Tax-Exempt and Taxable					
0-12 Months Total	**$4.5-$7B**	**$7-$8B**	**$7-$9B**	**$6-$8B**	**$7.1B**
12-24 Months Total	$5-$8B	$7.5-$9B	$7-$9B	$4-$6B	$7.0B
0-24 Months Total	$9.5-$15B	$14.5-$17B	$14-$18B	$10-$14B	$14.1B

[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 estimated borrowing capacity. The FHCF projects that its year-end fund balance for the 2026-2027 Contract Year is approximately $12.91 billion. It also has pre-event liquidity available of $2.25 billion for total available liquidity of $15.16 billion. The FHCF has an estimated borrowing capacity of $7.10 billion over 0-12 months and $7.00 billion over 12-24 months, which is unchanged as compared to May 2026 even with significant volatility in the marketplace during this time period.

The table on the following page reflects the 2026-2027 Contract Year claims-paying capacity estimate of $22.26 billion, which is $5.26 billion over the 2026-2027 Contract Year coverage obligation of $17 billion. The table also shows the FHCF's 2027-2028 Contract Year claims-paying capacity estimates using two different scenarios; one assumes the FHCF exhausts its statutory limit in the remaining 2026-2027 Contract Year and the alternative assumes no covered events occur in the 2026-2027 Contract Year. If the FHCF's statutory limit is exhausted in the 2026-2027 Contract Year, the 2027-2028 estimated claims-paying capacity would be $13.61 billion. Conversely, if the FHCF does not have any covered events for the 2026-2027 Contract Year, the claims-paying resources for the 2027-2028 Contract Year would be $24.13 billion.

($ in Billions, Totals may not add due to rounding)		2026-2027 Contract Year	Maximum Statutory Limit Exhausted in Prior Year 2027-2028 Contract Year	Assuming No Additional Events in Prior Year 2027-2028 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)	$12.91	$1.35	$14.78
Risk Transfer and Other Financial Transactions	(C)	$0.00	$0.00	$0.00
Pre-Event Bond Proceeds Available[1]	(D)	$2.25	$0.00	$2.25
Total Funding Sources Available	**(B + C + D) = (E)**	**$15.16**	**$1.35**	**$17.03**
Additional Funds / Potential Borrowing Need	**(E - A) = (F)**	**($1.84)**	**($15.65)**	**$0.03**
FHCF Claims-Paying Capacity				
Estimated FHCF Borrowing Capacity (0-12 Months)[2]	(G)	$7.10	$7.00	$7.10
Unutilized FHCF Borrowing Capacity (0-12 Months)	(H)	N/A	$5.26	N/A
Total Estimated Claims-Paying Capacity	**(E + G + H) = (I)**	**$22.26**	**$13.61**	**$24.13**
Total Estimated Claims-Paying Capacity as a % of FHCF Coverage Obligation	**(I / A) = (J)**	**131%**	**80%**	**142%**
Amount Above / (Below) Coverage Obligation	**(J - A) = (K)**	**$5.26**	**($3.39)**	**$7.13**

[1] The amount of pre-event bonds available for the 2026-2027 Contract Year is $2.25 billion as $1 billion of the Series 2020A pre-event bonds matures on July 1, 2027 and are therefore not included in the analysis.
[2] The estimated FHCF borrowing capacity shown in the 2027-2028 Contract Year of 7.00 billion is the current estimated 12-24 month borrowing capacity.

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 6.5% for the initial season and 7.5% for the subsequent season over a 30-year period.

($ in Billions)	2026-2027 Contract Year[1]	2027-2028 Contract Year[2]
Total Potential Borrowing	**$1.84**	**$12.26**
Assessment % over 30 Years if Financed at a Rate of 6.5% for the Initial Season and 7.5% for the Subsequent Season	**0.15%**	**1.13%**
Assessment % over 10 Years if Financed at a Rate of 6.5% for the Initial Season and 7.5% for the Subsequent Season	**0.28%**	**1.94%**

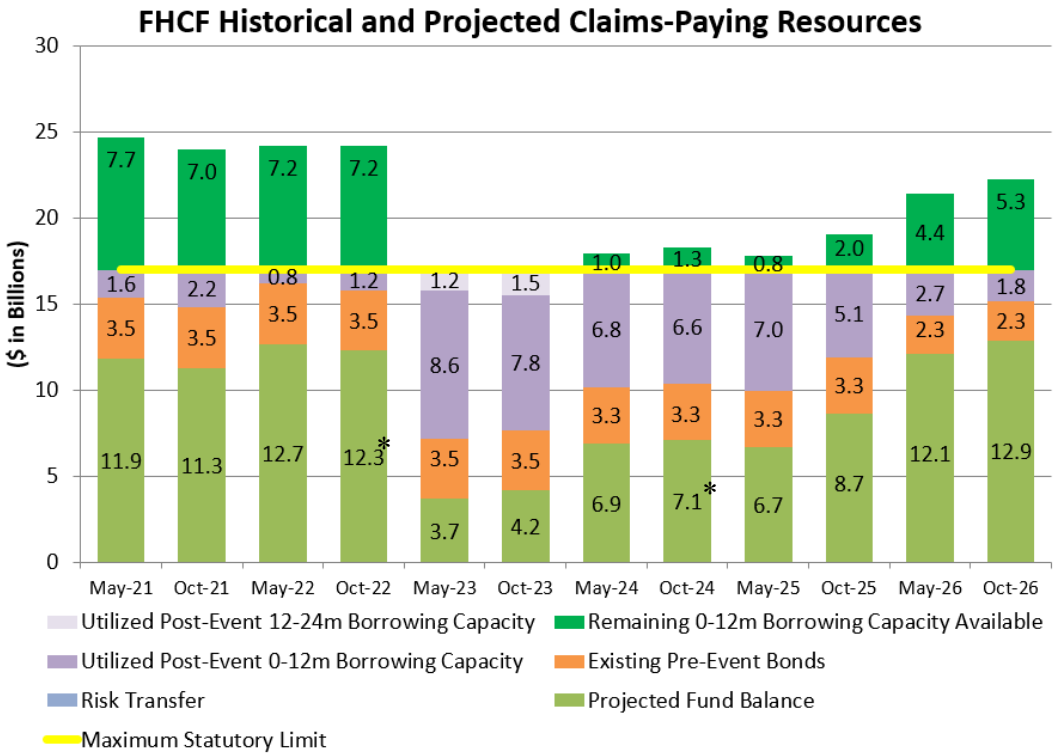
[1] The potential borrowing for the 2026-2027 Contract Year is shown as the estimated potential borrowing of approximately $1.84 billion. The assessment amount of repaying the pre-event bond proceeds is not included and will depend on the tenor of repayment, which is based on the maturity schedule of the pre-event bonds. If the pre-event bonds were refinanced over a 10-year period, the annual emergency assessment required for the $2.25 billion of pre-event bonds is 0.34%. The total assessment burden for the $4.09 billion of bonding would be 0.62% over a 10-year period if the maximum statutory limit is exhausted.
[2] The potential borrowing for the 2027-2028 Contract Year of $12.26 billion reflects the maximum statutory limit exhausted in the prior year and is shown as the remaining 0-12 month estimated borrowing capacity of $5.26 billion and the 12-24 month estimated borrowing capacity of $7.00 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. 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. The October 2026 average borrowing capacity estimates of $7.10 billion for 0-12 months and $7.00 billion for 12-24 months are flat, as compared to the May 2026 average borrowing estimate.

The chart below reflects the history of the FHCF's claims-paying resources since May 2021 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 financial 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.
**The fund balance reflects amounts before reserves are established for hurricanes within that contract year.*

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 on the following page shows the aggregate ranges for each estimate since May 2023.

Post-Event Estimated Borrowing Capacity (Senior Managers' Range)									
($ in Billions)	May-23	Oct-23	May-24	Oct-24	May-25	Oct-25	May-26	Oct-26	May 2026 - Oct. 2026 Change
0-12 Months	$4.5-$13	$4.5-$11	$4.5-$12	$4.5-$12	$4.5-$12	$4.5-$9	**$4.5-$9**	**$4.5-$9**	<·····>
12-24 Months	$4-$13	$5-$11	$5-$9	$5-$9.5	$5-$9	$4-$9	**$4-$9**	**$4-$9**	<·····>

We believe surveying the opinions of the best experts with the most relevant experience and employing a prudent approach to average several potential estimates of capacity provides a reasonable estimate that suits the purposes of the FHCF and the needs of its participating insurers. As there is variance between the bonding capacity estimates from each of the senior managers, it is informative to stress test and evaluate the minimum of the bonding capacity estimate range in addition to the average of the range. By utilizing the minimum of the 0-12 month bonding capacity range, or $4.5 billion, the FHCF's claims-paying resources for the 2026-2027 contract year would be $19.66 billion, which is $2.66 billion above the 2026-2027 contract year statutory limit of $17 billion. As noted in the table above, the low-end of the bonding capacity estimate range has remained flat at $4.5 billion during the time period shown.

We believe utilizing an average of the senior managers' bonding capacity estimates is the most prudent approach. The FHCF currently maintains sufficient claims-paying resources to meet its maximum statutory obligation of $17 billion for the 2026-2027 contract year. In the event that these resources are fully exhausted, the Fund's projected claims-paying capacity for the 2027-2028 contract year is estimated at $13.61 billion, representing approximately 80% of its maximum statutory limit. This projection excludes any potential post-event borrowing capacity beyond the 24 months, as such borrowing is not incorporated into near-term estimates due to the extended time horizon. The FHCF's capital structure provides continued stability and sustainability of the FHCF and is critical to the resilience of Florida's property insurance market, ensuring the Fund's ability to provide reliable reimbursement capacity for both the initial and subsequent contract years.

Appendix A – Bonding Capacity Solicitation & Senior Manager Responses

From:	Sasha Stipanovich
Cc:	Kapil Bhatia
Bcc:	"doug.draper@bofa.com"; "nathaniel.e.johnson@bofa.com"; "Cai, Tom"; "James.Howard@morganstanley.com"; "Trevor.Moxley@morganstanley.com"; "John.Generalli@wellsfargo.com"; "Thomas.J.Munn@wellsfargo.com"; "Whitehouse, T J"; "Lawrence, Kent W"; "Cook, Jim T"; "Brilliant, Carly"; "Achanti, Archisha"; "mark.h.weinberg@jpmorgan.com"
Subject:	RE: FHCF Bonding Capacity Estimates
Date:	Wednesday, September 23, 2026 5:39:00 PM

Good afternoon FHCF Senior Manager Team:

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 Thursday, October 22nd 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 October 2026, we need the following data elements from you by close of business Friday, October 2nd:

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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 Friday, September 25th. 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 (7/1/27 - 7/1/56) 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 Friday, October 2nd. 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

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880 Carillon Parkway, St. Petersburg, FL 33716

RAYMOND JAMES®

Memorandum

BofA SECURITIES

To:	Florida Hurricane Catastrophe Fund
From:	BofA Securities, Inc.
Date:	October 2, 2026
Subject:	Florida Hurricane Catastrophe Fund – October 2026 Bonding Capacity Analysis

BofA Securities, Inc. ("BofA") is pleased to provide the Florida Hurricane Catastrophe Fund ("FHCF" or the "Fund") with our firm's estimates and views of the FHCF's post-event bonding capacity and current market borrowing costs, together with our views regarding current taxable and tax-exempt market conditions.

Market Commentary. As of September 25, 2026, taxable and tax-exempt rates remained elevated and volatile, reflecting stronger-than-expected economic data, a more restrictive monetary policy outlook and continued geopolitical uncertainty. Although elevated energy prices remain an inflation risk, the most recent rate selloff was driven principally by stronger economic activity and expectations for additional Federal Reserve tightening. At its September meeting, the Federal Reserve increased the federal funds target range by 25 basis points to 3.75% to 4.00%, marking its first rate increase since July 2023. The unanimous decision reflected persistent inflation, renewed energy-price pressures and continued resilience in economic activity. Policymakers noted that economic activity continues to expand at a solid pace, productivity growth and capital investment remain strong, job gains have kept pace with the workforce, and unemployment has changed little. Chair Kevin Warsh emphasized that inflation remains too high, while the September projections indicated that most participants expect at least one additional rate increase before year-end. BofA Research continues to forecast two additional 25-basis-point increases, at the October and December meetings, respectively, which would bring the federal funds target range to 4.25% to 4.50% by year-end 2026.

Treasury yields have moved materially higher since the spring, with the front-end repricing to a more restrictive policy path and intermediate- and long-dated yields remaining near multi-year highs amid persistent inflation, elevated energy prices and heavy federal borrowing needs. The 10-year Treasury yield has crossed the 5.00% threshold, leaving the curve positively sloped but still vulnerable to shifts in inflation expectations, fiscal policy and auction demand. Near-term market direction is likely to remain sensitive to incoming inflation and employment data, additional Federal Reserve guidance, Treasury auction demand and the composition of Treasury's early-November quarterly refunding announcement.

Rates Forecast. Following the September FOMC meeting, BofA Research revised its U.S. rates forecasts higher. With the September 25-basis-point increase complete, BofA continues to forecast two additional 25-basis-point increases, at the October and December meetings. BofA Research expects the more restrictive policy path to maintain upward pressure on shorter-term rates, with a more limited effect on longer maturities. Its revised year-end 2026 forecasts are 5.00% for the 2-year and 10-year Treasury yields and 5.25% for the 30-year Treasury yield. By year-end 2027, BofA Research forecasts that the 2-year and 10-year yields will decline to 4.75% and that the 30-year yield will decline to 5.10% as markets begin to anticipate eventual policy easing.

Metric	9/25/26	2026Q4	2027Q1	2027Q2	2027Q3	2027YE
Fed Funds	4.00%	4.00%	4.50%	4.50%	4.50%	4.50%
2-Year T-Note	4.81%	5.00%	4.95%	4.90%	4.90%	4.75%
10-Year T-Note	5.17%	5.00%	4.95%	4.90%	4.90%	4.75%
30-Year T-Bond	5.49%	5.25%	5.20%	5.20%	5.20%	5.10%
Metric	**2026Q3**	**2026Q4**	**2027Q1**	**2027Q2**	**2027Q3**	**2027YE**
Real GDP (%)	1.50%	2.40%	2.30%	2.20%	2.20%	2.20%
Unempl. Rate (%)	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%
CPI (% SAAR)	6.10%	1.60%	3.60%	2.00%	2.00%	2.20%

Since the May 2026 update, tax-exempt benchmark rates have increased significantly. The Municipal Market Data 'AAA' benchmark curve has increased by 74 to 121 basis points across the curve. The aggregate steepness of the

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curve is slightly flatter compared to the May update with the 1–30 year tax-exempt MMD yield differential sitting at 162 basis points today compared to 182 basis points in May.

Through September 25, the municipal market recorded approximately $38.6 billion of net inflows year-to-date, helping to support performance despite elevated issuance. Year-to-date issuance totals $454.0 billion, an increase of 8.7% from the comparable prior-year period. Looking ahead to October, municipal market technicals are expected to be less supportive than during the summer reinvestment season. Record supply has continued, including the strongest August issuance on record, while September's seasonal transition has moderated the reinvestment tailwind. Nevertheless, robust mutual fund inflows and attractive absolute yields should continue to provide an important source of demand. BofA Research believes the combination of a more restrictive macro rates environment and still-constructive municipal demand should keep tax-exempt rates volatile but generally rangebound over the next several months, absent a definitive escalation in geopolitical conditions or a material change in the Federal Reserve's policy outlook.

As we have noted in prior updates, the market's ability to absorb one or more large post-event financings by the FHCF, potentially alongside issuance by other Florida insurance-related entities such as Citizens or FIGA, has not been tested under comparable conditions. The timing, size, structure, and sequencing of such financings could therefore affect investor demand, pricing, and overall market capacity. The following sections present BofA's estimates of current FHCF borrowing costs and potential issuance capacity under prevailing market conditions.

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1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).

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, Aa2/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	2027	5.000%	3.430%	30 bps	3.730%
2	2028	5.000%	3.450%	30 bps	3.750%
3	2029	5.000%	3.520%	30 bps	3.820%
4	2030	5.000%	3.570%	30 bps	3.870%
5	2031	5.000%	3.650%	30 bps	3.950%
6	2032	5.000%	3.720%	30 bps	4.020%
7	2033	5.000%	3.800%	30 bps	4.100%
8	2034	5.000%	3.850%	30 bps	4.150%
9	2035	5.000%	3.940%	30 bps	4.240%
10	2036	5.000%	4.030%	30 bps	4.330%
11	2037	5.000%	4.100%	35 bps	4.450%
12	2038	5.000%	4.230%	35 bps	4.580%
13	2039	5.000%	4.330%	35 bps	4.680%
14	2040	5.250%	4.450%	35 bps	4.800%
15	2041	5.250%	4.520%	35 bps	4.870%
16	2042	5.250%	4.590%	35 bps	4.940%
17	2043	5.250%	4.640%	35 bps	4.990%
18	2044	5.250%	4.680%	35 bps	5.030%
19	2045	5.250%	4.730%	35 bps	5.080%
20	2046	5.250%	4.780%	35 bps	5.130%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051	5.500%	4.920%	33 bps	5.250%
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	5.500%	5.050%	35 bps	5.400%

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).

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, Aa2/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	2027	5.410%	4.810%	60 bps	5.410%
2	2028	5.360%	4.810%	55 bps	5.360%
3	2029	5.540%	4.940%	60 bps	5.540%
4	2030	5.580%	4.980%	60 bps	5.580%
5	2031	5.680%	4.980%	70 bps	5.680%
6	2032	5.760%	5.060%	70 bps	5.760%
7	2033	5.810%	5.060%	75 bps	5.810%
8	2034	5.870%	5.170%	70 bps	5.870%
9	2035	5.920%	5.170%	75 bps	5.920%
10	2036	5.970%	5.170%	80 bps	5.970%
11	2037	6.020%	5.170%	85 bps	6.020%
12	2038	6.070%	5.170%	90 bps	6.070%
13	2039	6.120%	5.170%	95 bps	6.120%
14	2040	6.170%	5.170%	100 bps	6.170%
15	2041	6.220%	5.170%	105 bps	6.220%
16	2042				
17	2043				
18	2044				
19	2045				
20	2046	6.390%	5.490%	90 bps	6.390%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051				
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	6.440%	5.490%	95 bps	6.440%

*Taxable scale assumes make-whole call.

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 some crossover participation and we believe there is some 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**

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Memorandum

J.P.Morgan

To:	Florida Hurricane Catastrophe Fund
From:	J.P. Morgan
Date:	October 2, 2026
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 October 2026. 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

Trade and Geopolitical Developments. Markets continue to navigate a complex mix of trade and geopolitical developments. The US and China recently agreed to reciprocal tariff cuts on $30 billion of goods each, extending their trade truce to January 2027 and launching a new dialogue on AI, a constructive step forward. At the same time, tensions between the US and Canada have risen, with new import bans on Canadian goods adding friction to that relationship. Separately, the ongoing US-Iran standoff and continued closure of the Strait of Hormuz have pushed Brent crude above $100/barrel and driven the 10-year Treasury yield to its highest level since 2007, weighing on equity markets globally. Adding another layer of complexity, India and China are resisting US secondary sanctions on Russia and Iran, underscoring a broader shift toward a more fragmented, multi-centered trade order.

MARKET CATALYSTS – MACRO THEMES

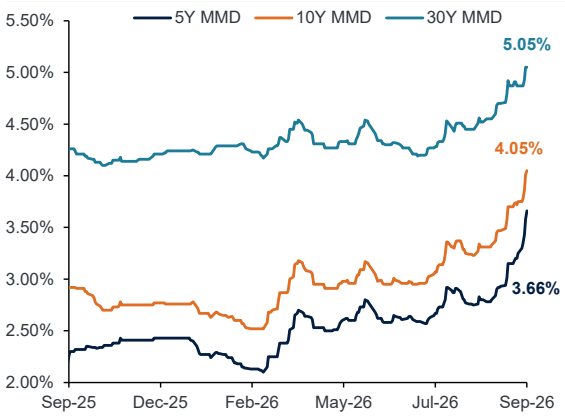
Macroeconomic Developments and Policy: *Geopolitical strains in the Middle East, changes in monetary policy, and rising fears of AI-driven disruption have triggered volatility across all major asset classes*

FOMC: *The FOMC raised the Federal Funds Rate by 25bps to 3.75%–4.00% in a unanimous decision; the 2026 forecast implies one additional 25bp hike this year while "longer run" Fed Funds Rate rose to 3.25% (highest since 2016)*

Inflation: *August core CPI printed at 0.3% (St. 0.2%) and the September Composite PMI rose to 58.7 (St. 55.8), the highest reading since July 2021, driven by input prices growing at the fastest pace since 2022.*

Labor Market: *The U.S. labor market is showing renewed momentum as payrolls rose 162k in August with upward revisions lifting the three-month average to 71k, while unemployment held at 4.1%*

MMD YIELDS OVER THE PAST YEAR



Source: J.P. Morgan as of 9/25/2026

Fed Developments. At the September Fed meeting, the FOMC raised the federal funds rate by 25 bps, marking its first hike since July 2023, and the decision was unanimous. The updated Summary of Economic Projections leaned hawkish: the median participant expected one more hike this year and policy rates to remain steady in 2027, while the dots showed two participants expecting no further move this year, 12 expecting one additional hike, and four expecting two more hikes. Chair Warsh's press conference was also interpreted as hawkish, as he said the Fed had "removed a dose of accommodation" and indicated he would be "hard pressed" to describe financial conditions as restrictive, suggesting rates may need to move higher to bring inflation back to target.

Labor Market. The US labor market remains stable but less dynamic. Employers added 162,000 jobs in August, well above expectations, with the unemployment rate holding steady at 4.1%. Consensus estimates for September point to a more modest gain of 95,000 to 100,000 jobs, with unemployment expected to stay at 4.1%. Weekly jobless claims are hovering near 57-year lows at 197,000, underscoring rare layoffs and continued job security, even as job openings slipped to 7.08 million in August, the lowest since March, signaling more cautious hiring. Wage growth has cooled alongside this, with average hourly earnings up just 3.1% year over year, the smallest annual gain since May 2021.

Inflation. Inflation remains a mixed but generally cooling story heading into the fourth quarter. August core CPI came in a bit hotter than expected, up 0.3% versus the 0.2% forecast, and the September Composite PMI jumped to 58.7, the highest since July 2021, as input costs rose at their fastest pace since 2022. But the September 30th PCE report, the Fed's preferred inflation gauge, showed things cooling: headline PCE rose 0.3% in August with the annual rate at 3.4%, and core PCE rose just 0.2%

monthly and 3.0% annually, both below expectations. Part of this softness comes from a BEA methodology change, while consumer spending jumped 0.9% in August, well above July's pace. Inflation nonetheless remains above the Fed's 2% target, keeping the door open to further tightening depending on how upcoming data evolve.

Interest Rates. Rates have moved sharply higher across the municipal and Treasury markets, driven primarily by a hawkish repricing of Fed policy expectations toward a "higher-for-longer" stance. J.P. Morgan analysts attribute most of the move to this Fed repricing, compounded by resilient growth data, fiscal and issuance pressures, and weak auction technicals. MMD yields climbed sharply over the week through September 25, closing higher by 45 bps, 41 bps, 30 bps, and 18 bps in the 2-year, 5-year, 10-year, and 30-year parts of the curve, respectively — pushing 10-year and 30-year AAA tax-exempt yields to their highest levels since 2008 and 2011, respectively. Treasury yields moved sharply higher as well, with the 10-year up more than 40 bps on the month and back near multi-decade highs.

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 September 25, 2026, J.P. Morgan estimates that FHCF could sell $3.0-3.5 billion of tax-exempt bonds and $4.0-4.5 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 $3.5-4.0 billion of tax-exempt bonds and $4.0-5.0 billion of taxable bonds. This would provide FHCF a total post-event market capacity of $6.5-7.5 billion tax-exempt and $8.0-9.5 billion taxable, for a total of $14.5-17.0 billion.

Indicative Post-Event Market Capacity as of 9/25/2026			
Time Period	**Tax-Exempt**	**Taxable**	**Total**
0-12 Months	$3.0-3.5 billion	$4.0-4.5 billion	$7.0-8.0 billion
12-24 Months	$3.5-4.0 billion	$4.0-5.0 billion	$7.5-9.0 billion
Total	**$6.5-7.5 billion**	**$8.0-9.5 billion**	**$14.5-17.0 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 Friday, September 25th, 2026. 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 (7/1/27 - 7/1/56) 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).

Florida Hurricane Catastrophe Fund - Tax-Exempt Scale

Year	Maturity	Sinker/Term	Int. MMD	Spread	Coupon	Stated Yield
1	7/1/2027		3.43%	30	5.00%	3.73%
2	7/1/2028		3.45%	32	5.00%	3.77%
3	7/1/2029		3.52%	34	5.00%	3.86%
4	7/1/2030		3.57%	36	5.00%	3.93%
5	7/1/2031		3.65%	38	5.00%	4.03%
6	7/1/2032		3.72%	40	5.00%	4.12%
7	7/1/2033		3.80%	42	5.00%	4.22%
8	7/1/2034		3.85%	43	5.00%	4.28%
9	7/1/2035		3.94%	44	5.00%	4.38%
10	7/1/2036		4.03%	45	5.00%	4.48%
11	7/1/2037		4.10%	45	5.00%	4.55%
12	7/1/2038		4.23%	45	5.00%	4.68%
13	7/1/2039		4.33%	45	5.25%	4.78%
14	7/1/2040		4.45%	46	5.25%	4.91%
15	7/1/2041		4.52%	48	5.25%	5.00%
16	7/1/2042		4.59%	48	5.25%	5.07%
17	7/1/2043		4.64%	48	5.25%	5.12%
18	7/1/2044		4.68%	48	5.50%	5.16%
19	7/1/2045		4.73%	48	5.50%	5.21%
20	7/1/2046		4.78%	48	5.50%	5.26%
21	7/1/2047	*				
22	7/1/2048	*				
23	7/1/2049	*				
24	7/1/2050	*				
25	7/1/2051	T	4.92%	45	5.75%	5.37%
26	7/1/2052	*				
27	7/1/2053	*				
28	7/1/2054	*				
29	7/1/2055	*				
30	7/1/2056	T	5.05%	45	5.75%	5.50%

Assumes MMD as of close of business September 25, 2026 and an optional redemption date of 7/1/2036 at par

Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, September 25th, 2026. 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 (7/1/27 - 7/1/56) 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).

Florida Hurricane Catastrophe Fund - Taxable Scale

Year	Maturity	Sinker/Term	UST	Spread	Coupon	Stated Yield
1	7/1/2027		4.810%	30	5.110%	5.110%
2	7/1/2028		4.810%	35	5.160%	5.160%
3	7/1/2029		4.940%	40	5.340%	5.340%
4	7/1/2030		4.980%	45	5.430%	5.430%
5	7/1/2031		4.980%	50	5.480%	5.480%
6	7/1/2032		5.060%	45	5.510%	5.510%
7	7/1/2033		5.060%	55	5.610%	5.610%
8	7/1/2034		5.170%	50	5.670%	5.670%
9	7/1/2035		5.170%	60	5.770%	5.770%
10	7/1/2036		5.170%	65	5.820%	5.820%
11	7/1/2037		5.170%	70	5.870%	5.870%
12	7/1/2038		5.170%	75	5.920%	5.920%
13	7/1/2039		5.170%	89	6.060%	6.060%
14	7/1/2040		5.170%	85	6.020%	6.020%
15	7/1/2041		5.170%	90	6.070%	6.070%
16	7/1/2042	*				
17	7/1/2043	*				
18	7/1/2044	*				
19	7/1/2045	*				
20	7/1/2046	T	5.540%	65	6.190%	6.190%
21	7/1/2047	*				
22	7/1/2048	*				
23	7/1/2049	*				
24	7/1/2050	*				
25	7/1/2051	*				
26	7/1/2052	*				
27	7/1/2053	*				
28	7/1/2054	*				
29	7/1/2055	*				
30	7/1/2056	T	5.490%	75	6.240%	6.240%

Assumes UST as of close of business September 25, 2026 and a make-whole call

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Morgan Stanley

Memorandum

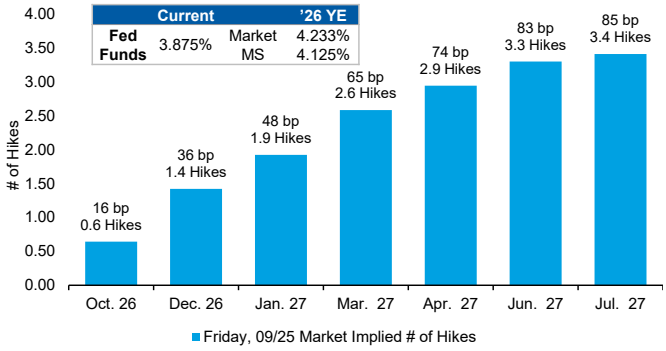
To:	Florida Hurricane Catastrophe Fund	Date: October 2, 2026
From:	Morgan Stanley	
Subject:	FHCF October 2026 Semi-Annual Bonding Capacity Analysis	

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. Following the Federal Reserve's 25 bp rate hike at its September meeting, Fed officials continued to reinforce a hawkish policy outlook. As of September 25th, Fed Funds futures were pricing in a ~64% probability of an additional 25 bp hike at the October meeting, while Morgan Stanley Research expects 25 bp hikes in December 2026 and March 2027. Economic data also reinforced expectations for tighter policy, with the S&P Global U.S. Flash Composite PMI increasing to 58.4 versus 55.3 expected, marking the fastest pace of business activity in five years. However, the survey also showed the largest increase in input costs since October 2022, highlighting continued inflationary pressures. Treasury yields moved meaningfully higher as investors repriced the Fed outlook, with the 10-year and 30-year UST ending at 5.18% and 5.50%, respectively, approximately 18 bp and 17 bp higher WoW. Middle East developments also remained a source of volatility as negotiations to reopen the Strait of Hormuz continued, with Brent crude ending near $104/bbl.

Market Dynamics. The tax-exempt market experienced significant repricing, particularly at the front end, with 5-year, 10-year and 30-year MMD yields increasing 41 bp, 30 bp and 18 bp to 3.66%, 4.05% and 5.05%, respectively. The MMD curve remains steep, with 159 bp of slope between 2-year and 30-year yields. Secondary selling pressure also intensified, with bid-wanted volumes exceeding $6 billion and reaching their highest level since March 2020. Despite the volatility, issuance remained active, with approximately $13.1 billion pricing and YTD supply reaching $465.7 billion, up approximately 8% year-over-year. Municipal fund flows remain constructive overall, with $68.3 billion of YTD inflows across mutual funds and ETFs, above 2025's full-year total.

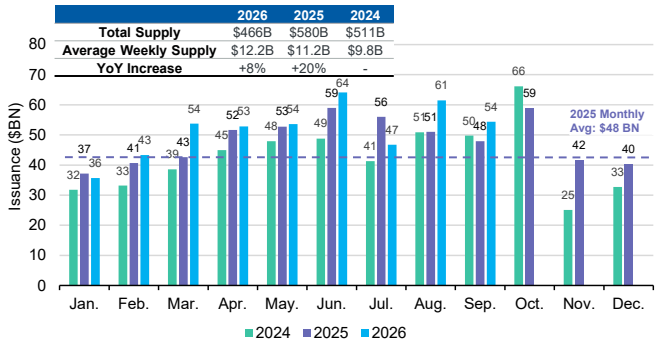
Market-Implied Fed Funds Expectations and MS Forecast



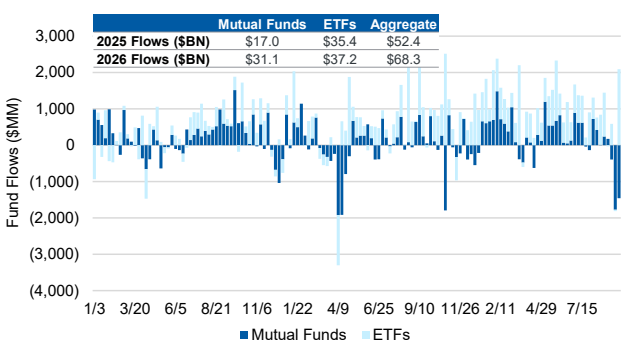
Rates and Ratios Movement (9/25/2026)

	Current	Δ WoW	Δ MoM	Δ YTD	Δ YTD High
5Y MMD	3.66%	+41	+88	+125	-
10Y MMD	4.05%	+30	+74	+129	-
30Y MMD	5.05%	+18	+50	+81	-
5Y UST	5.00%	+15	+62	130	-2
10Y UST	5.18%	+18	+52	103	0
30Y UST	5.50%	+17	+32	67	0
5Y Ratio	73%	+6%	+10%	+8%	-
10Y Ratio	78%	+3%	+7%	+12%	-
30Y Ratio	92%	-	+4%	+4%	-1%

Municipal Market New Issue Volume (National)



Municipal Mutual Fund and ETF Flows



Sources: Morgan Stanley Matrix, SDC, Bloomberg

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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 Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).

FHCF Pricing Views: 30-Year Tax-Exempt Scale(1)					
Year	**Maturity**	**MMD (9/25/2026)(2)**	**Spread (bps)**	**Coupon**	**Yield**
1	2027	3.43%	30	5.00%	3.73%
2	2028	3.45%	32	5.00%	3.77%
3	2029	3.52%	33	5.00%	3.85%
4	2030	3.57%	34	5.00%	3.91%
5	2031	3.65%	35	5.00%	4.00%
6	2032	3.72%	37	5.00%	4.09%
7	2033	3.80%	38	5.00%	4.18%
8	2034	3.85%	40	5.00%	4.25%
9	2035	3.94%	42	5.00%	4.36%
10	2036	4.03%	43	5.00%	4.46%
11	2037	4.10%	45	5.25%	4.55%
12	2038	4.23%	45	5.25%	4.68%
13	2039	4.33%	45	5.25%	4.78%
14	2040	4.45%	45	5.25%	4.90%
15	2041	4.52%	45	5.25%	4.97%
16	2042	4.59%	40	5.50%	4.99%
17	2043	4.64%	40	5.50%	5.04%
18	2044	4.68%	40	5.50%	5.08%
19	2045	4.73%	40	5.50%	5.13%
20	2046	4.78%	40	5.50%	5.18%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051	4.92%	45	5.25%	5.37%
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	5.05%	40	5.75%	5.45%

Notes:
(1) Assumes 10-year par call on 7/1/2036

(2) Based on July Interpolated MMD as of 9/25/2026. Please note that since 9/25/2026, market volatility has been elevated, including recent daily MMD movements of approximately 10–15 bps

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2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).

FHCF Pricing Views: 30-Year Taxable Scale[1]					
Year	**Maturity**	**UST (9/25/2026)[2]**	**Spread (bps)**	**Coupon**	**Yield**
1	2027	4.86%	40	5.26%	5.26%
2	2028	4.86%	45	5.31%	5.31%
3	2029	4.94%	45	5.39%	5.39%
4	2030	5.00%	45	5.45%	5.45%
5	2031	5.00%	50	5.50%	5.50%
6	2032	5.09%	55	5.64%	5.64%
7	2033	5.09%	60	5.69%	5.69%
8	2034	5.18%	60	5.78%	5.78%
9	2035	5.18%	65	5.83%	5.83%
10	2036	5.18%	70	5.88%	5.88%
11	2037	5.18%	75	5.93%	5.93%
12	2038	5.18%	80	5.98%	5.98%
13	2039	5.18%	85	6.03%	6.03%
14	2040	5.18%	90	6.08%	6.08%
15	2041	5.18%	95	6.13%	6.13%
16	2042				
17	2043				
18	2044				
19	2045				
20	2046	5.50%	75	6.25%	6.25%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051				
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	5.50%	85	6.35%	6.35%

Notes:
(1) Assumes Make-Whole Call

(2) Based on the U.S. Treasury curve as of 9/25/2026. Please note that Treasury market volatility has been elevated, including recent daily yield movements of approximately 10–15 bps

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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 to 4	4 to 5	7 to 9
12-24 Months	3 to 4	4 to 5	7 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

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100 South Ashley Drive, 10th Floor
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WELLS FARGO | Corporate & Investment Banking

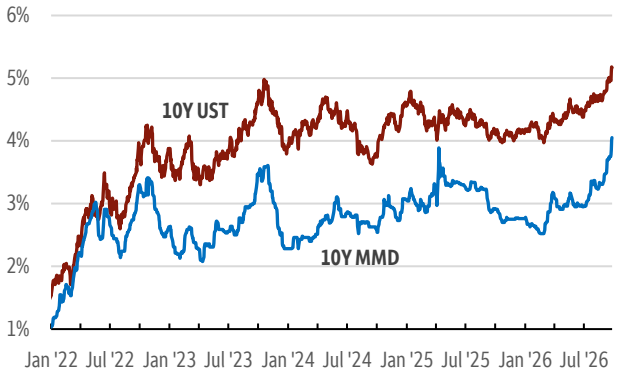
To: Florida Hurricane Catastrophe Fund
From: Wells Fargo Corporate & Investment Banking
Date: October 1, 2026
Re: Florida Hurricane Catastrophe Fund Bonding Capacity Estimate for October 2026

Wells Fargo Corporate and Investment Banking ("Wells Fargo") has prepared the following estimate of the Florida Hurricane Catastrophe Fund's ("FHCF") bonding capacity for October 2026, using market data as of September 25, 2026. The following pages summarize current tax-exempt and taxable market scales, relevant spread assumptions, and indicative bonding capacity for the 0–12 month and 12–24 month periods. Although interest rates have increased materially since our last update, sustained municipal market inflows and prior FHCF issuance experience continue to support market access. We would be pleased to address any questions regarding these estimates or provide additional analysis at the request of FHCF staff.

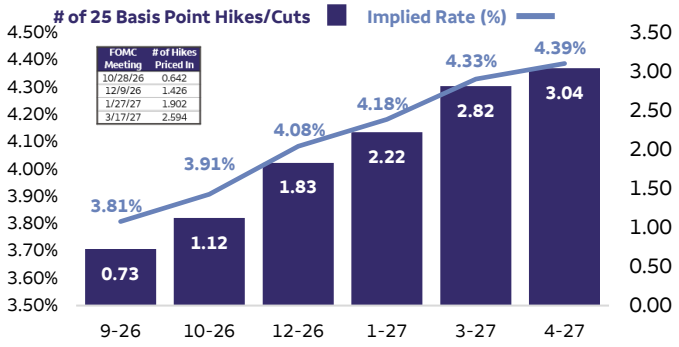
Market Commentary[1]

Markets continue to operate in a volatile geopolitical environment, though recent economic data have supported a resilient growth outlook. Municipal market technicals remain constructive, with $633 million of net inflows for the week ending September 23, 2026 (a reversal from the outflows of $1.8 billion the week prior), bringing year-to-date inflows to approximately $68.7 billion. Since September 18, 5-year MMD has increased 41 basis points to 3.65%, while the 10- and 30-year MMD have risen 30 and 18 basis points to 4.05% and 5.05%, respectively. Despite the volatility, these conditions continue to support the market's capacity to absorb large, high-grade municipal issuance.

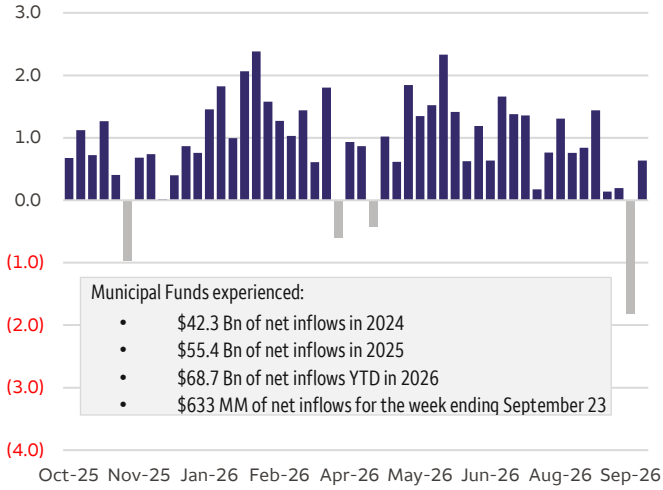
Historical 10Y UST and MMD Since January 2022[2]



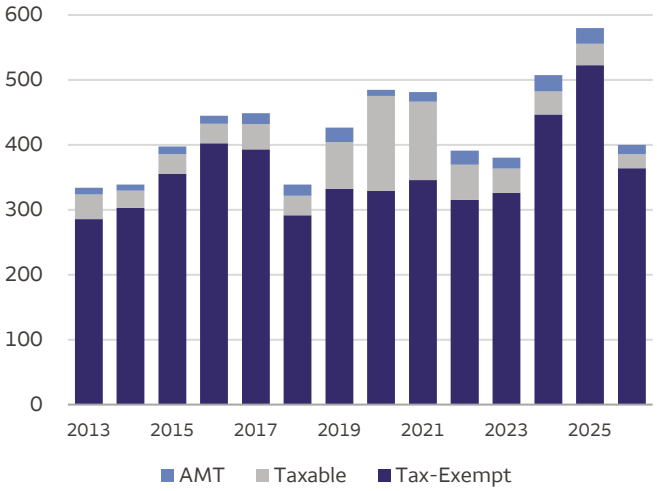
Projected U.S. Federal Reserve Rate Hikes/Cuts[3]



Weekly Municipal Bond Fund Flows ($Bn)[4]



Municipal Issuance ($Bn)[5]



[1] Sources: Thomson Reuters TM3, Ipreo, Bloomberg, The Bond Buyer, LSEG Lipper Global Fund Flows, as of September 25, 2026.
[2] Sources: US Treasury, Thomson Reuters TM3, from January 1, 2022 to September 26, 2026.
[3] Source: Bloomberg, as of September 25, 2026.
[4] Source: LSEG Lipper Global Fund Flows, as of September 23, 2026; Note: Only represents data for funds that report weekly.
[5] Source: The Bond Buyer, through September 1, 2026. Data reports monthly.

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1. **Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).**

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 November 17, 2026 and term bond maturities in 2051 and 2056.

Florida Hurricane Catastrophe Fund
Indicative Tax-Exempt Scale
Market Rates as of COB September 25, 2026

Maturity	I-MMD Index Rate	Spread (%)	Coupon	Yield-to-Worst	Price ($)	Yield-to-Maturity
7/1/2027	3.43%	+0.45%	5.000%	3.880%	100.595	-
7/1/2028	3.45%	+0.47%	5.000%	3.920%	101.601	-
7/1/2029	3.52%	+0.48%	5.000%	4.000%	102.394	-
7/1/2030	3.57%	+0.49%	5.000%	4.060%	103.072	-
7/1/2031	3.65%	+0.50%	5.000%	4.150%	103.485	-
7/1/2032	3.72%	+0.51%	5.000%	4.230%	103.768	-
7/1/2033	3.80%	+0.52%	5.000%	4.320%	103.838	-
7/1/2034	3.85%	+0.53%	5.000%	4.380%	103.944	-
7/1/2035	3.94%	+0.51%	5.000%	4.450%	103.871	-
7/1/2036	4.03%	+0.55%	5.000%	4.580%	103.215	-
7/1/2037	4.10%	+0.58%	5.000%	4.680%	102.438	4.704%
7/1/2038	4.23%	+0.60%	5.250%	4.830%	103.179	4.886%
7/1/2039	4.33%	+0.60%	5.250%	4.930%	102.410	4.989%
7/1/2040	4.45%	+0.60%	5.000%	5.050%	99.511	-
7/1/2041	4.52%	+0.60%	5.000%	5.120%	98.777	-
7/1/2042	4.59%	+0.60%	5.000%	5.190%	97.987	-
7/1/2043	4.64%	+0.60%	5.125%	5.240%	98.735	-
7/1/2044	4.68%	+0.60%	5.250%	5.280%	99.656	-
7/1/2045	4.73%	+0.60%	5.250%	5.330%	99.062	-
7/1/2046	4.78%	+0.60%	5.250%	5.380%	98.436	-
7/1/2047	4.84%	-	-	-	-	-
7/1/2048	4.87%	-	-	-	-	-
7/1/2049	4.89%	-	-	-	-	-
7/1/2050	4.91%	-	-	-	-	-
7/1/2051	4.92%	+0.60%	5.500%	5.520%	99.729	-
7/1/2052	4.94%	-	-	-	-	-
7/1/2053	4.97%	-	-	-	-	-
7/1/2054	5.00%	-	-	-	-	-
7/1/2055	5.03%	-	-	-	-	-
7/1/2056	5.05%	+0.60%	5.500%	5.650%	97.853	-

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2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Friday, September 25th. 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 (7/1/27 - 7/1/56) 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).

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 November 17, 2026 and term bond maturities in 2046 and 2056.

Florida Hurricane Catastrophe Fund
Indicative Taxable Scale
Market Rates as of COB September 25, 2026

Maturity	Benchmark UST Rate	Spread (%)	Coupon	Yield	Price ($)	Yield-to-Maturity
7/1/2027	4.933%	+0.50%	5.433%	5.433%	100.00	-
7/1/2028	4.933%	+0.60%	5.533%	5.533%	100.00	-
7/1/2029	5.027%	+0.60%	5.627%	5.627%	100.00	-
7/1/2030	5.097%	+0.60%	5.697%	5.697%	100.00	-
7/1/2031	5.097%	+0.70%	5.797%	5.797%	100.00	-
7/1/2032	5.184%	+0.65%	5.834%	5.834%	100.00	-
7/1/2033	5.184%	+0.70%	5.884%	5.884%	100.00	-
7/1/2034	5.274%	+0.70%	5.974%	5.974%	100.00	-
7/1/2035	5.274%	+0.75%	6.024%	6.024%	100.00	-
7/1/2036	5.274%	+0.80%	6.074%	6.074%	100.00	-
7/1/2037	5.274%	+0.90%	6.174%	6.174%	100.00	-
7/1/2038	5.274%	+1.00%	6.274%	6.274%	100.00	-
7/1/2039	5.274%	+1.05%	6.324%	6.324%	100.00	-
7/1/2040	5.274%	+1.10%	6.374%	6.374%	100.00	-
7/1/2041	5.274%	+1.15%	6.424%	6.424%	100.00	-
7/1/2042	5.274%	+1.20%	6.474%	6.474%	100.00	-
7/1/2043	5.604%	-	-	-	-	-
7/1/2044	5.604%	-	-	-	-	-
7/1/2045	5.604%	-	-	-	-	-
7/1/2046	5.604%	+0.95%	6.554%	6.554%	100.00	-
7/1/2047	5.604%	-	-	-	-	-
7/1/2048	5.604%	-	-	-	-	-
7/1/2049	5.604%	-	-	-	-	-
7/1/2050	5.604%	-	-	-	-	-
7/1/2051	5.604%	-	-	-	-	-
7/1/2052	5.604%	-	-	-	-	-
7/1/2053	5.604%	-	-	-	-	-
7/1/2054	5.604%	-	-	-	-	-
7/1/2055	5.604%	-	-	-	-	-
7/1/2056	5.604%	+1.10%	6.704%	6.704%	100.00	-

WELLS FARGO

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 FHCF would issue debt at higher interest rates than the current "market" tax-exempt and taxable scales that we have provided in our response to questions 1 and 2. The scales that we included on the prior pages for taxable and tax-exempt FHCF bonds reflect market conditions as of September 25, 2026 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 tax-exempt and taxable capacity estimates are intended to be additive and do not reflect overlapping capacity, although actual execution in either market could affect investor demand and pricing in the other.

Our estimate of bonding capacity reflects a qualitative assessment of current fixed-income market depth, historical FHCF issuance experience, comparable large-scale municipal financings, and prevailing investor demand for high-grade tax-exempt and taxable securities. Capacity estimates assume orderly market conditions, standard distribution periods, and no material deterioration in credit conditions beyond current market levels.

Our bonding capacity estimates have not changed since our May 2026 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

WELLS FARGO

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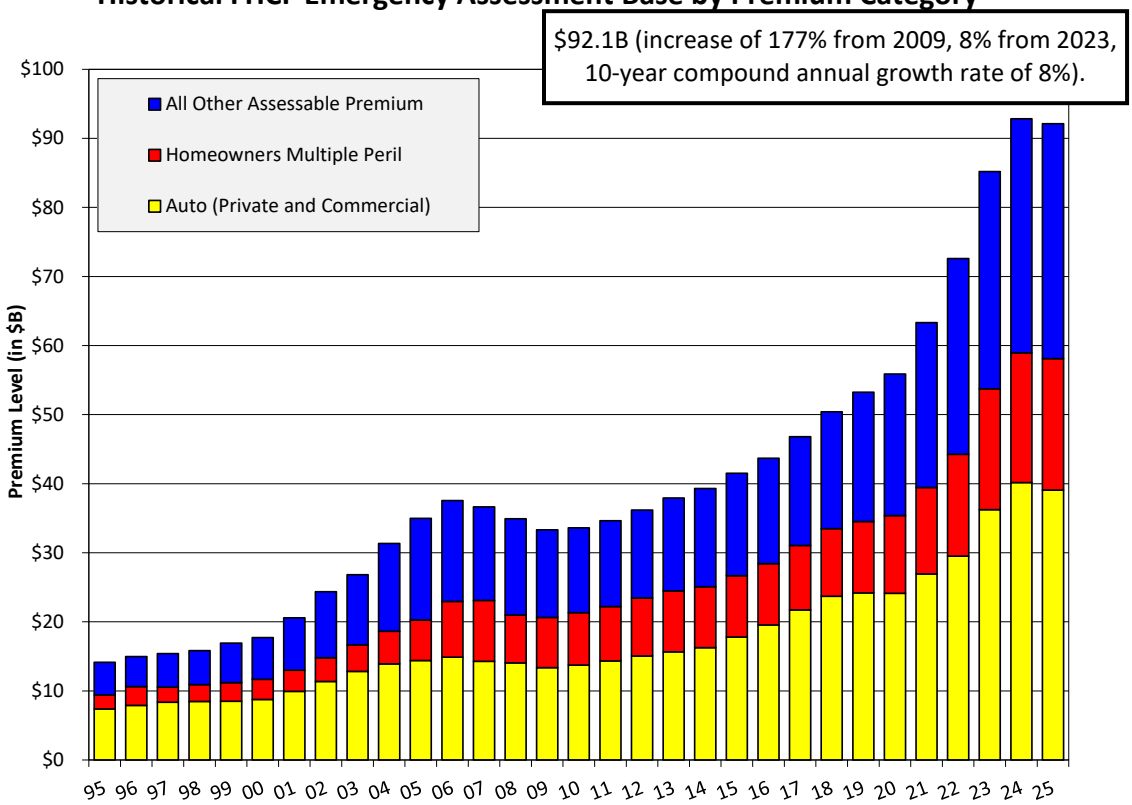
Appendix B – The FHCF's Emergency Assessment Base

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

In numerical terms, this gives the FHCF an ability to assess against a base which, as of the end of 2025 (the last official measurement date), totaled approximately $92.1 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%
2025	$75,314	$16,801	$92,116	$5,527	-0.77%

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 2000-2025 is 6.96%.

2025 Admitted Market Lines Premiums ($MM)

Line of Business	2025 Total Assessable Premium
Aircraft (all perils)	$247.1
Allied lines	$3,765.3
Boiler and machinery	$90.2
Burglary and theft	$32.8
Commercial auto no-fault (personal injury protection)	$177.4
Commercial auto physical damage	$800.5
Commercial multiple peril (liability portion)	$920.9
Commercial multiple peril (non-liability portion)	$1,652.6
Credit	$158.9
Earthquake	$12.0
Farmowners multiple peril	$17.1
Fidelity	$71.2
Financial guaranty	$12.9
Fire	$1,439.6
Homeowners multiple peril	$17,857.8
Inland marine	$2,316.0
Mortgage guaranty	$465.5
Multiple peril crop	$331.1
Ocean marine	$578.0
Other commercial auto liability	$5,767.9
Other liability - claims-made	$1,052.8
Other liability - occurrence	$3,530.8
Other private passenger auto liability	$16,526.9
Private crop	$0.5
Private flood	$109.1
Private passenger auto no-fault (personal injury protection)	$5,562.4
Private passenger auto physical damage	$9,856.8
Products liability - claims-made	$3.4
Products liability - occurrence	$152.2
Surety	$835.2
Warranty	$969.3
Totals	**$75,314.3**

Source: Florida Office of Insurance Regulation, Market Research Unit

Florida Hurricane Catastrophe Fund

2025 Surplus Lines Premiums ($MM)

Coverage Code		2025 Surplus Lines Premiums ($MM)
1000	Commercial Property	$6,035
1001	Builders Risk - Commercial	$412
1002	Business Income	$0
1003	Apartments - Commercial	$7
1004	Boiler and Machinery	$14
1005	Commercial Package	$787
1006	Condominium Package - Commercial	$90
1007	Crop Hail	$0
1008	Difference In Conditions	$37
1009	Earthquake	$0
1010	Flood - Commercial	$64
1011	Glass - Commercial	$0
1012	Mortgage Impairment	$31
1013	Windstorm and/or Hail - Commercial	$375
1014	Mold Coverage - Commercial	$1
1015	Sinkhole Coverage - Commercial	$0
1016	Excess Flood - Commercial	$29
1017	Collateral Protection (Force Placed Coverage)	$77
1100	Bankers Blanket Bond	$2
1101	Blanket Crime Policy	$3
1102	Employee Dishonesty	$0
1103	Identity Theft	$0
1104	Deposit Forgery	$0
1105	Miscellaneous Crime	$6
1200	Accident & Health	$0
1201	Credit Insurance	$21
1202	Animal Mortality	$0
1203	Mortgage Guaranty	$0
1204	Worker's Compensation-Excess Only	$0
1205	Product Recall	$15
1206	Kidnap/Ransom	$1
1207	Surety	$47
1208	Weather Insurance	-$1
1209	Prize Indemnification	$1
1210	Travel Accident	$0
1211	Terrorism	$44
1212	Fidelity	$2
1213	Deductible Buyback – Property	$86
1214	Parametric or Index-Based - Commercial	$11
1215	Parametric or Index-Based - Personal	$0
2000	Homeowners-HO-1	$21
2001	Homeowners-HO-2	$3
2002	Homeowners-HO-3	$692
2003	Homeowners-HO-4 - Tenant	$36
2004	Homeowners-HO-5	$197
2005	Homeowners-HO-6 - Condo Unit Owners	$184
2006	Homeowners-HO-8	$19
2007	Builders Risk - Residential	$46
2008	Flood - Personal	$177
2009	Dwelling Property	$155
2010	Farmowners Multi-Peril	$0
2011	Mobile Homeowners	$31
2012	Windstorm - Residential	$60
2013	Mold Coverage - Residential	$0
2014	Sinkhole Coverage - Residential	$0
2015	Excess Flood - Personal	$37
3000	Marina Operators Legal Liability	$2
3001	Marine Liabilities Package	$37
3002	Ocean Marine-Hull and/or Protection & Indemnity	$48
3003	Ocean Cargo Policy	$49
3004	Ship Repairers Legal Liability	$3
3005	Stevedores Legal Liability	$0
3006	Personal & Pleasure Boats & Yachts	$71
3007	Ocean Marine Builders Risk	$1
3008	Longshoremen (Jones Act)	$0
4000	Inland Marine - Commercial	$118
4001	Inland Marine - Personal	$17
4002	Motor Truck Cargo	$40
4003	Jewelers Block	$9
4004	Furriers Block	$0
4005	Contractors Equipment	$6
4006	Electronic Data Processing	$0
5000	Commercial General Liability	$2,712
5001	Commercial Umbrella Liability	$246
5002	Directors & Officers Liability - Profit	$94
5003	Directors & Officers Liability - Non-Profit	$16
5004	Educator Legal Liability	$2
5005	Employment Practices Liability	$44
5006	Excess Commercial General Liability	$1,415
5007	Excess Personal Liability	$29
5008	Liquor Liability	$19
5009	Owners & Contractors Protective Liability	$24
5010	Personal Umbrella	$24
5011	Personal Liability	$58
5012	Pollution & Environment Liability	$139
5013	Product & Completed Operations Liability	$29
5014	Public Officials Liability	$8
5015	Police Professional Liability	$2
5016	Media Liability	$2
5017	Railroad Protective Liability	$16
5018	Asbestos Removal & Abatement	$0
5019	Guard Service Liability	$0
5020	Special Events Liability	$17
5021	Miscellaneous Liability	$213
5022	Cyber Liability	$351
6000	Hospital Professional Liability	$0
6001	Miscellaneous Medical Professionals	$0
6002	Nursing Home Professional Liability	$0
6003	Physician/Surgeon, Dentist Professional Liability	$0
7000	Architects & Engineers Liability	$55
7001	Insurance Agents & Brokers E&O	$18
7002	Lawyers Professional Liability	$44
7003	Miscellaneous E&O Liability	$358
7004	Real Estate Agents E&O	$8
7005	Software Design Computer E&O	$6
8000	Commercial Auto Liability	$163
8001	Commercial Auto Excess Liability	$169
8002	Commercial Auto Physical Damage	$41
8003	Dealers Open Lot	$55
8004	Garage Liability	$67
8005	Garage Keepers Legal	$4
8006	Private Passenger Auto-Physical Damage Only	$2
8007	Personal Excess Auto Liability	$1
9000	Commercial Aircraft Hull and/or Liability	$46
9001	Airport Liability	$6
9002	Aviation Cargo	$8
9003	Aviation Product Liability	$33
9004	Hangarkeepers Legal Liability	$0
9005	Personal & Pleasure Aircraft	$1
	Totals	**$16,801**

Source: FSLSO

Based on policies with a submitted (filed) date from 1/1/25 to 12/31/25.