FLORIDA HURRICANE CATASTROPHE FUND

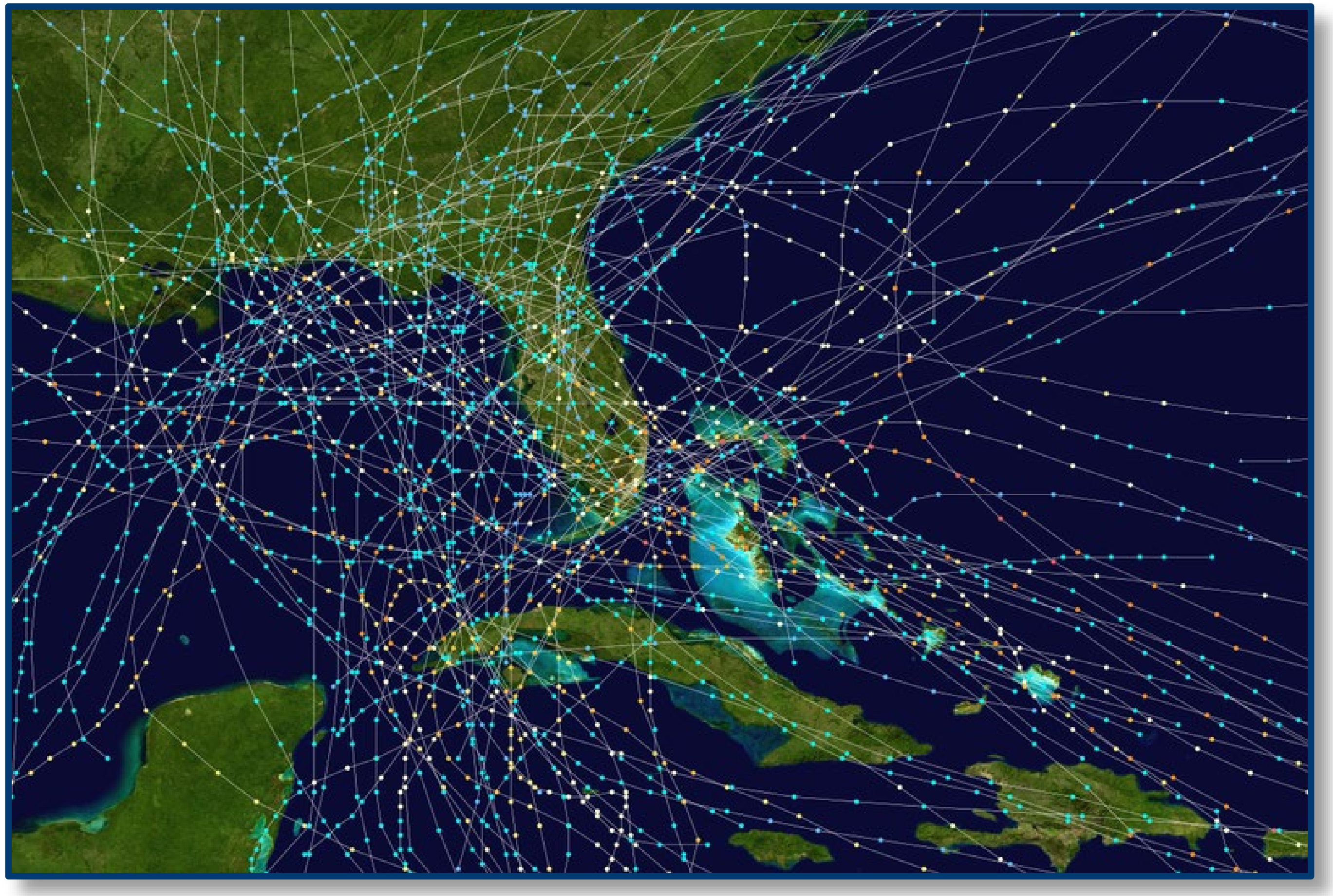
23rd ANNUAL PARTICIPATING INSURERS WORKSHOP

JUNE 13, 2023

Hurricane Ian, 2022

WELCOME

Gina Wilson, Chief Operating Officer, Florida Hurricane Catastrophe Fund



AGENDA

FHCF Status Update

Citizens Property Insurance Corporation Panel Discussion

Florida Demographic and Legislative Update

Building the Future of Resilience

Lunch

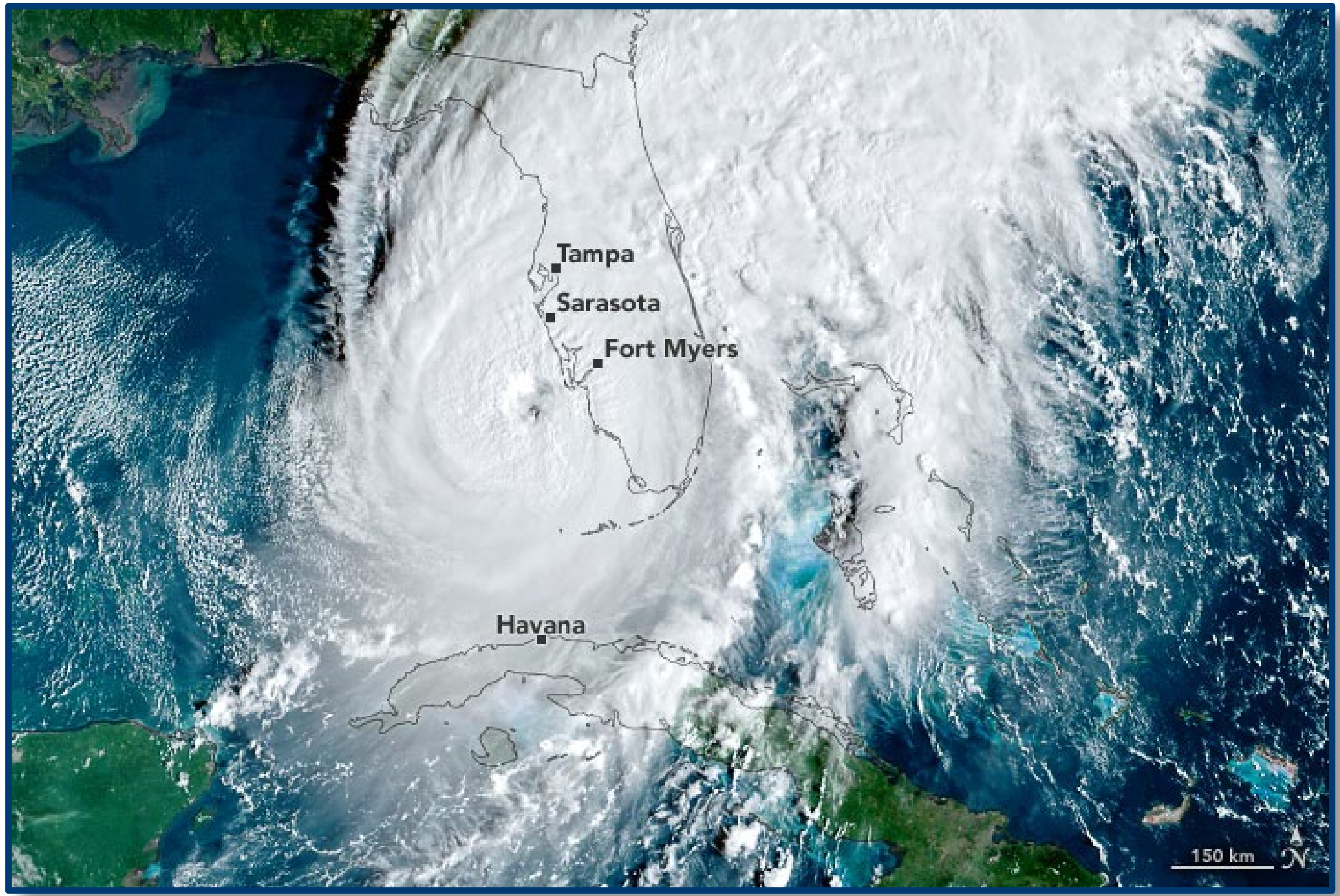
Wind Effects on Buildings

Current and Projected Tropical Cyclone Activity

Reinsurance Market Update

Florida Economic Outlook

Gina Wilson, Chief Operating Officer, FHCF



Hurricane Ian,
September 28, 2022

STATUTORY MISSION

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

Key Data – Contract Year 2023-2024 (Modeled)

Participating Insurers – 148

Exposure Base – $3.1 Trillion

- *Projected increase of $250 Billion or 9%*
- *Over 80% is residential homeowners*

Industry Retention – $9.1 Billion

- *101% growth in exposure since 2004*

Premium – $1.45 Billion

Average Coverage Level – 87%

2023-2024 CONTRACT YEAR

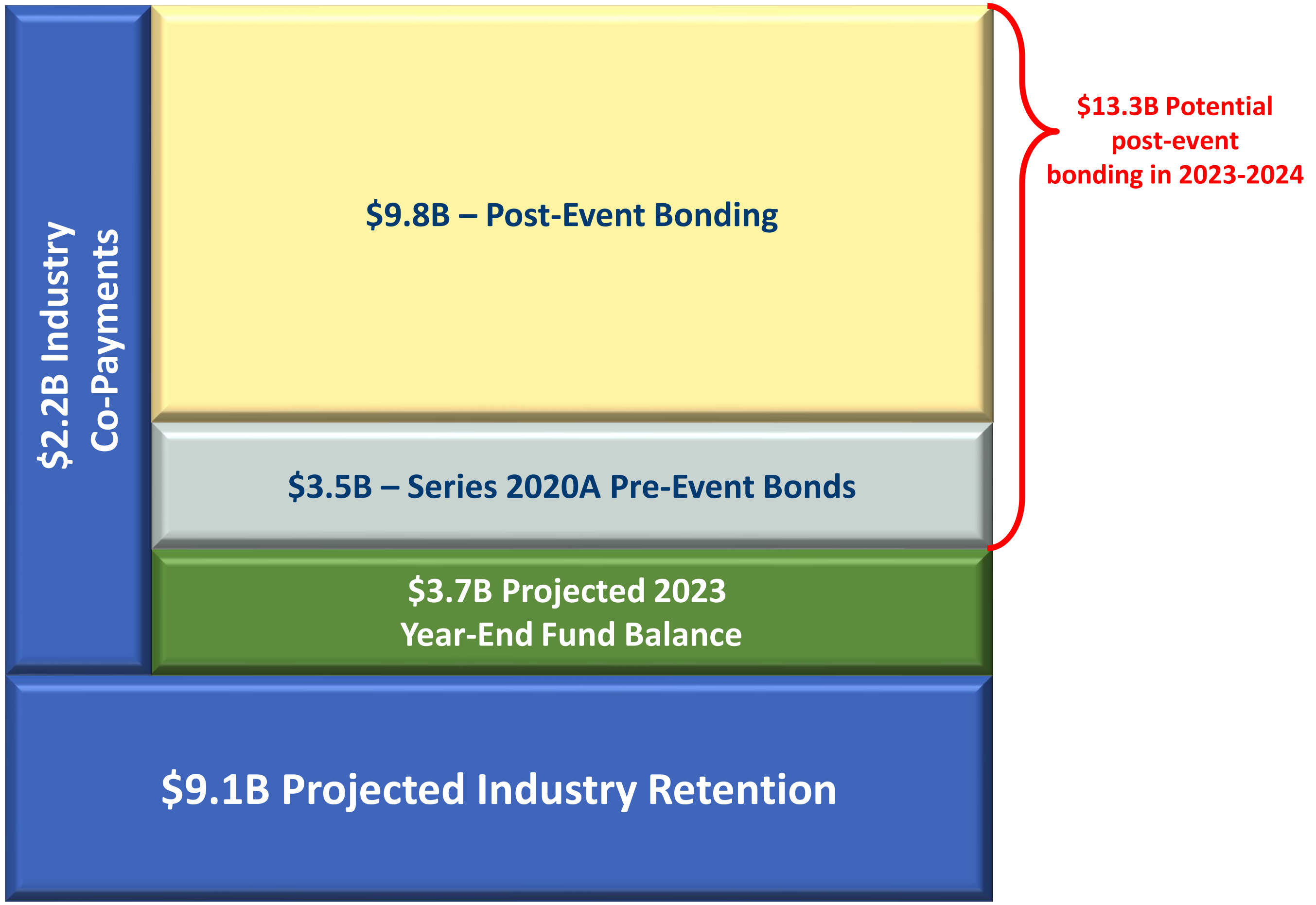
Maximum Coverage Chart - $17B FHCF Capacity

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

Projected Year-End Fund Balance is net of $7.8B for Hurricane Irma, $1.45B for Hurricane Michael and $10B for Hurricane Ian

as of May 17, 2023

Not Drawn to Scale
(For Illustrative Purposes Only)



(in billions)

$3.7	Cash
$3.5	2020A Bonds
$7.2	Total Resources
$17.0	Statutory Limit
$9.8	Potential Additional Bonding Needed

Estimated Borrowing Capacity
May 2023

$8.6B

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

2024-2025 SUBSEQUENT SEASON

Maximum Coverage Chart - $17B FHCF Capacity

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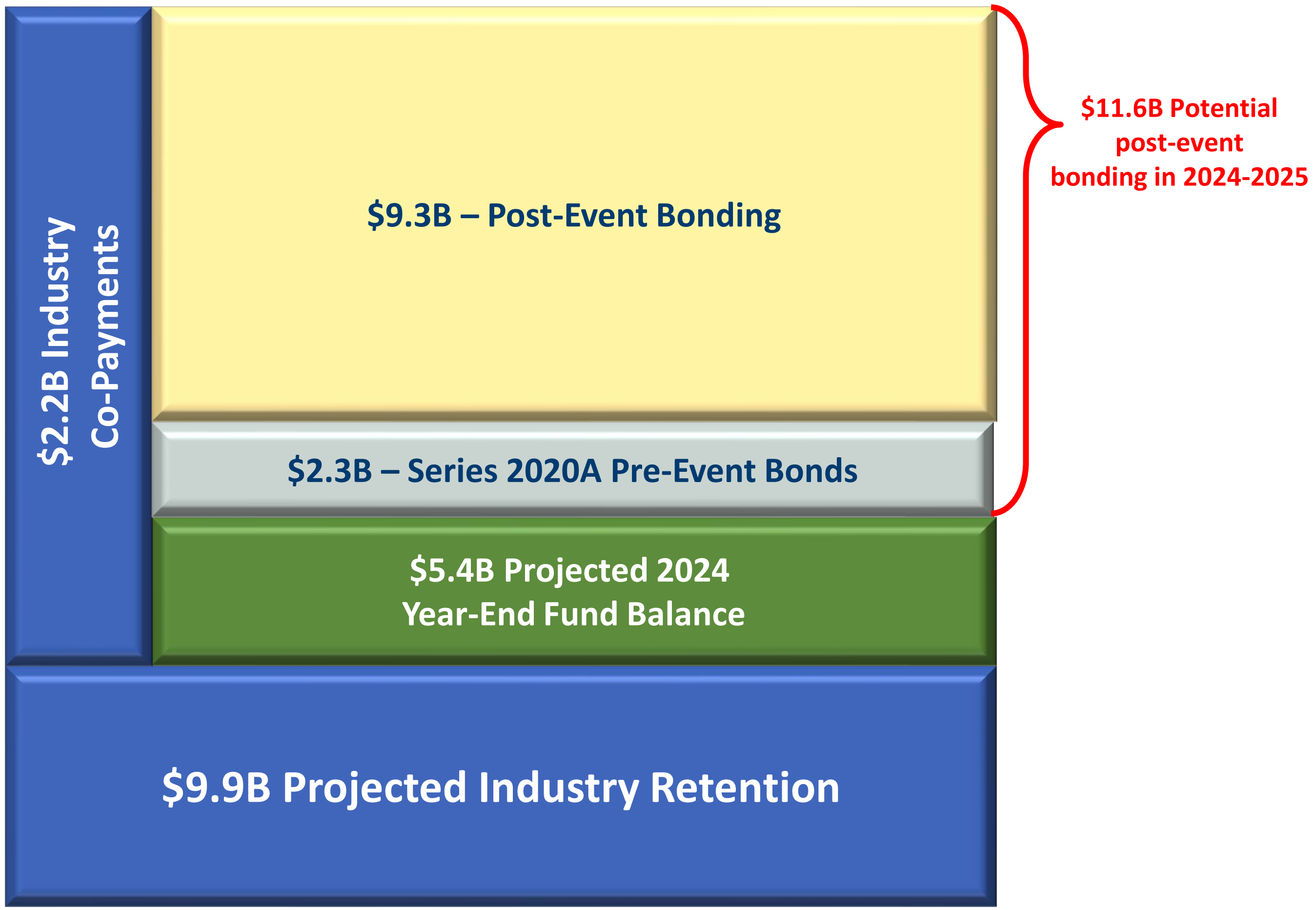

(in billions)

$5.4	Cash
$2.3	2020A Bonds
$7.7	Total Resources
$17.0	Statutory Limit
$9.3	Potential Additional Bonding Needed

Estimated Borrowing Capacity
May 2023

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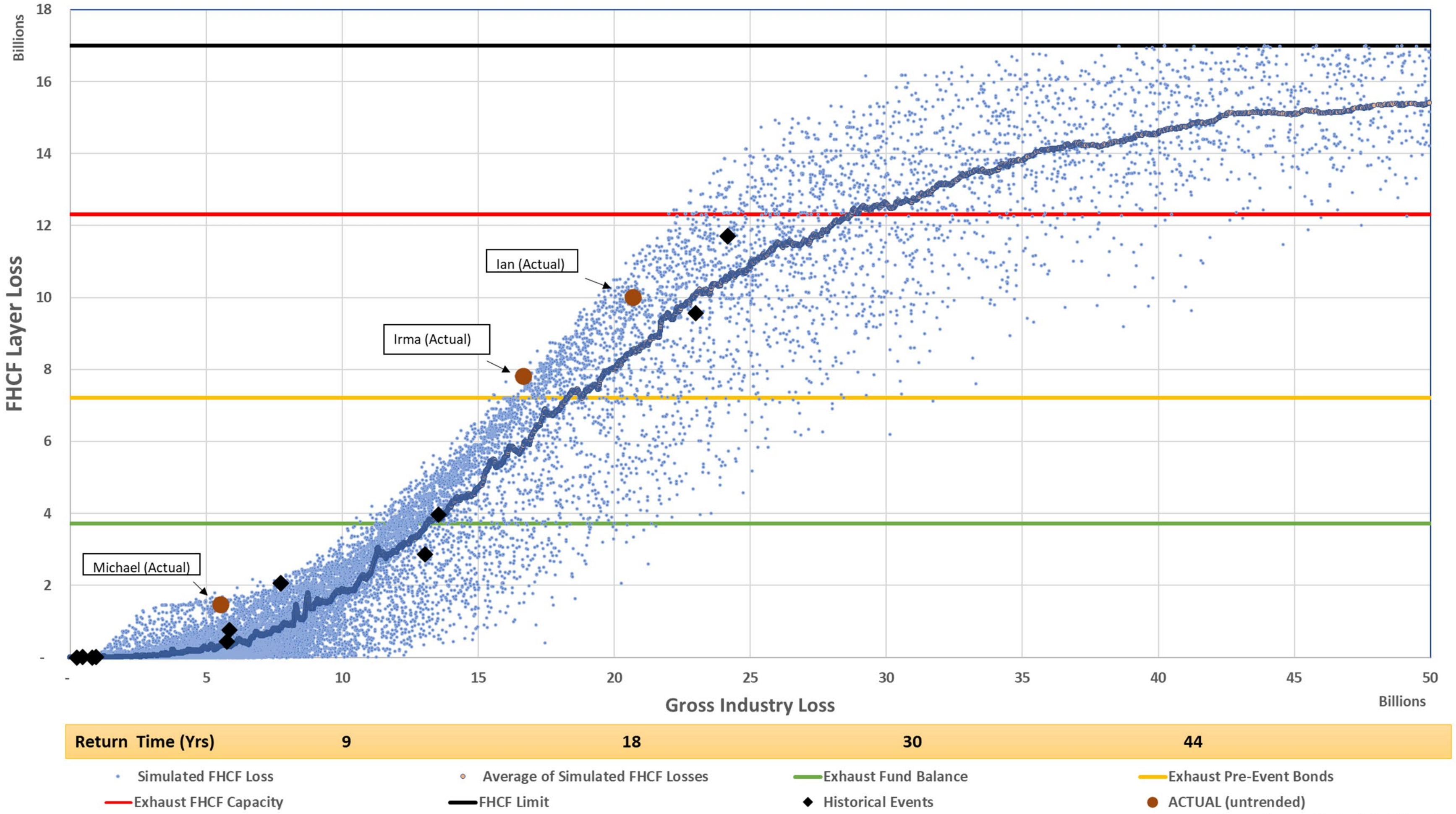
TRENDED LOSS DATA

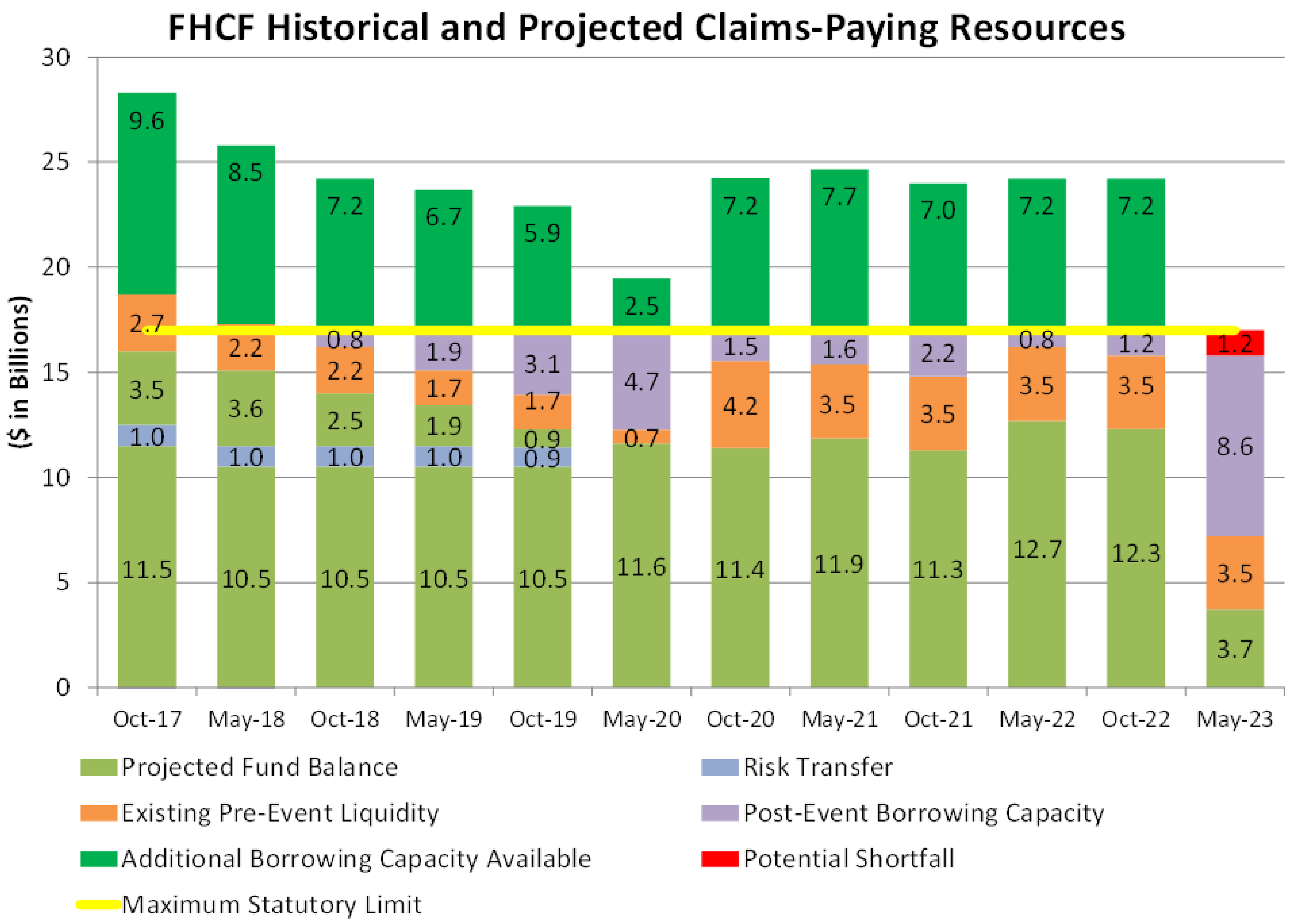
FHCF 2023 Verisk & RMS Adjusted Simulated Losses: Gross Loss vs. FHCF Layer Loss

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



Sourcer: Paragon Strategic Solutions, Inc.

HISTORICAL RESOURCES



TWO TYPES OF FHCF DEBT

Pre-Event Debt

- Issued before a hurricane event
- Taxable bonds only
- Primarily a source of liquidity to enable the FHCF to pay claims on a timely and sufficient basis
- $13.0 billion issued to date

Post-Event Debt

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

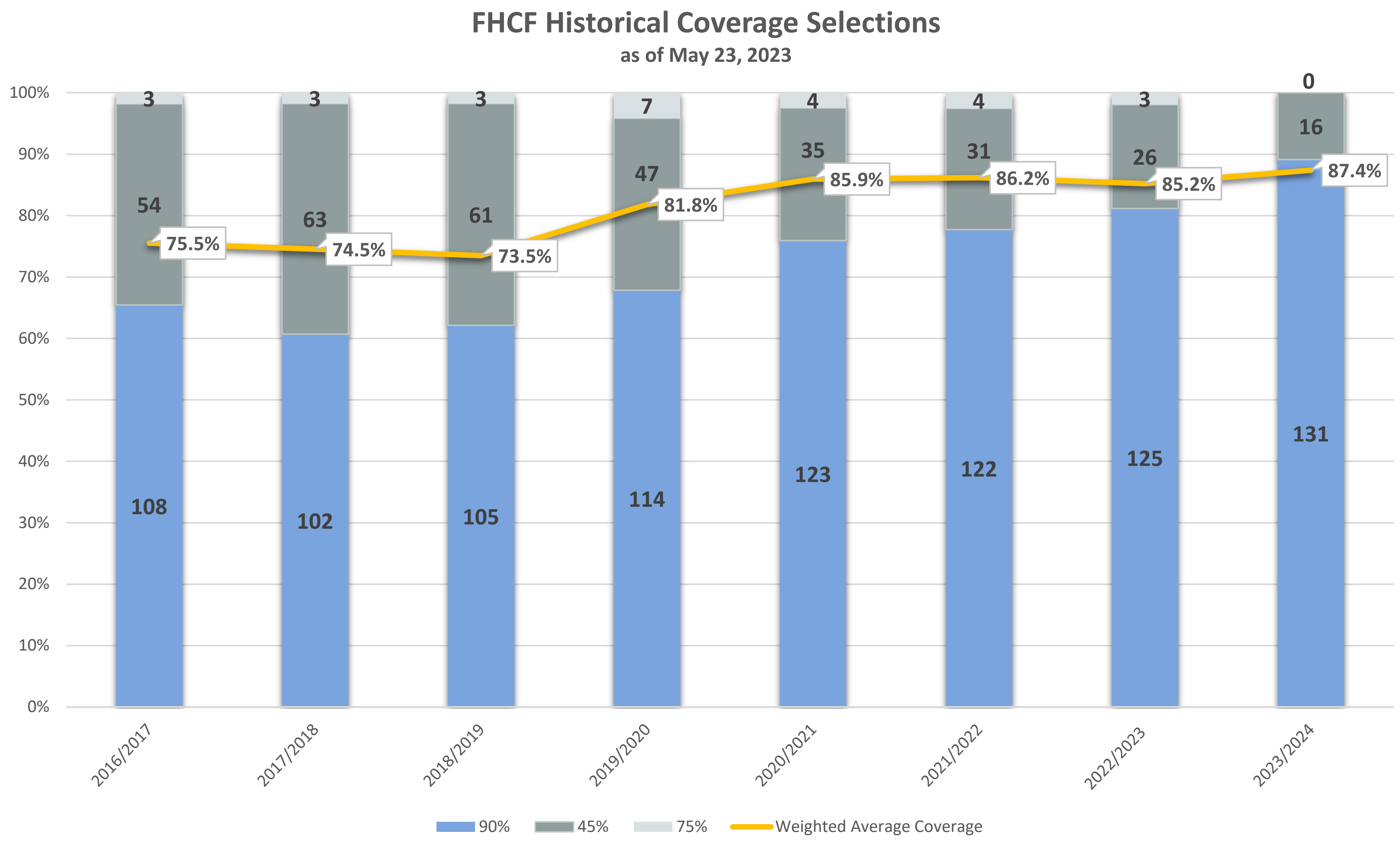
OUTSTANDING DEBT

Staggered maturities:

- Reduce market access risk
- Smooth cost
- Manage rollover risk and interest rate risk

Maturity Date	Series 2020A Pre-Event Bonds Principal ($ millions)
7/1/2025	$1,250
7/1/2027	$1,000
7/1/2030	$1,250
Total	**$3,500**

COVERAGE SELECTIONS



HURRICANE LOSS REIMBURSEMENTS

Summary of Reported Losses

As of April 30, 2023 ($ Billions)

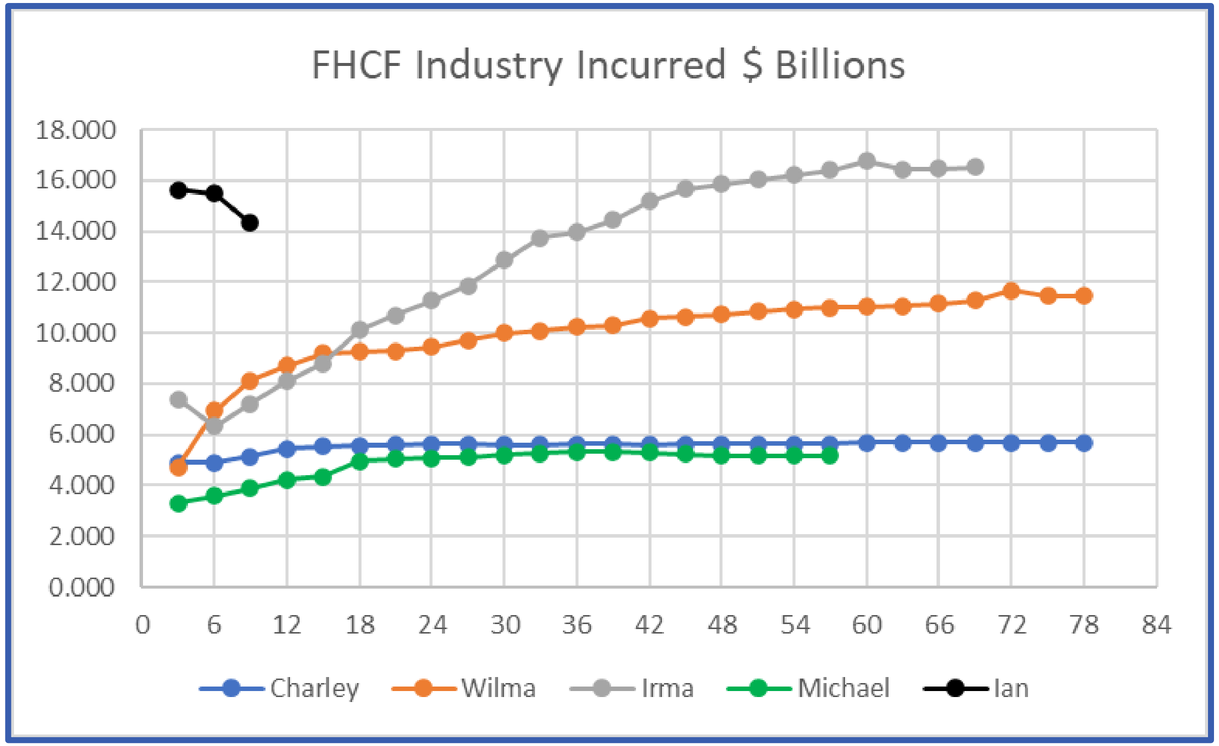
	Irma	Michael	Ian	Total
Projected Industry Ultimate Total Incurred Loss (prior to FHCF retention & co-pay)	$16.68	$5.57	$21.10	**$43.35**
Projected FHCF Ultimate Total Incurred Loss	$7.80	$1.45	$10.00	**$19.25**

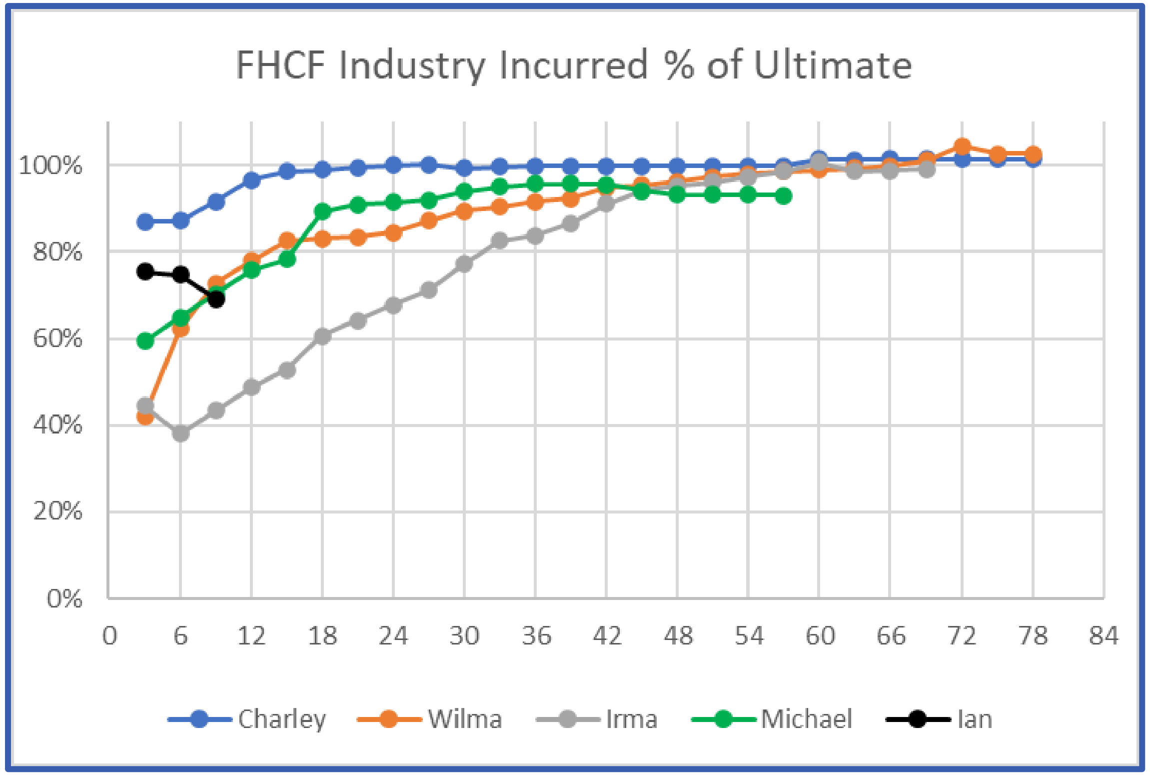
FHCF Paid Losses

As of April 30, 2023 ($ Billions)

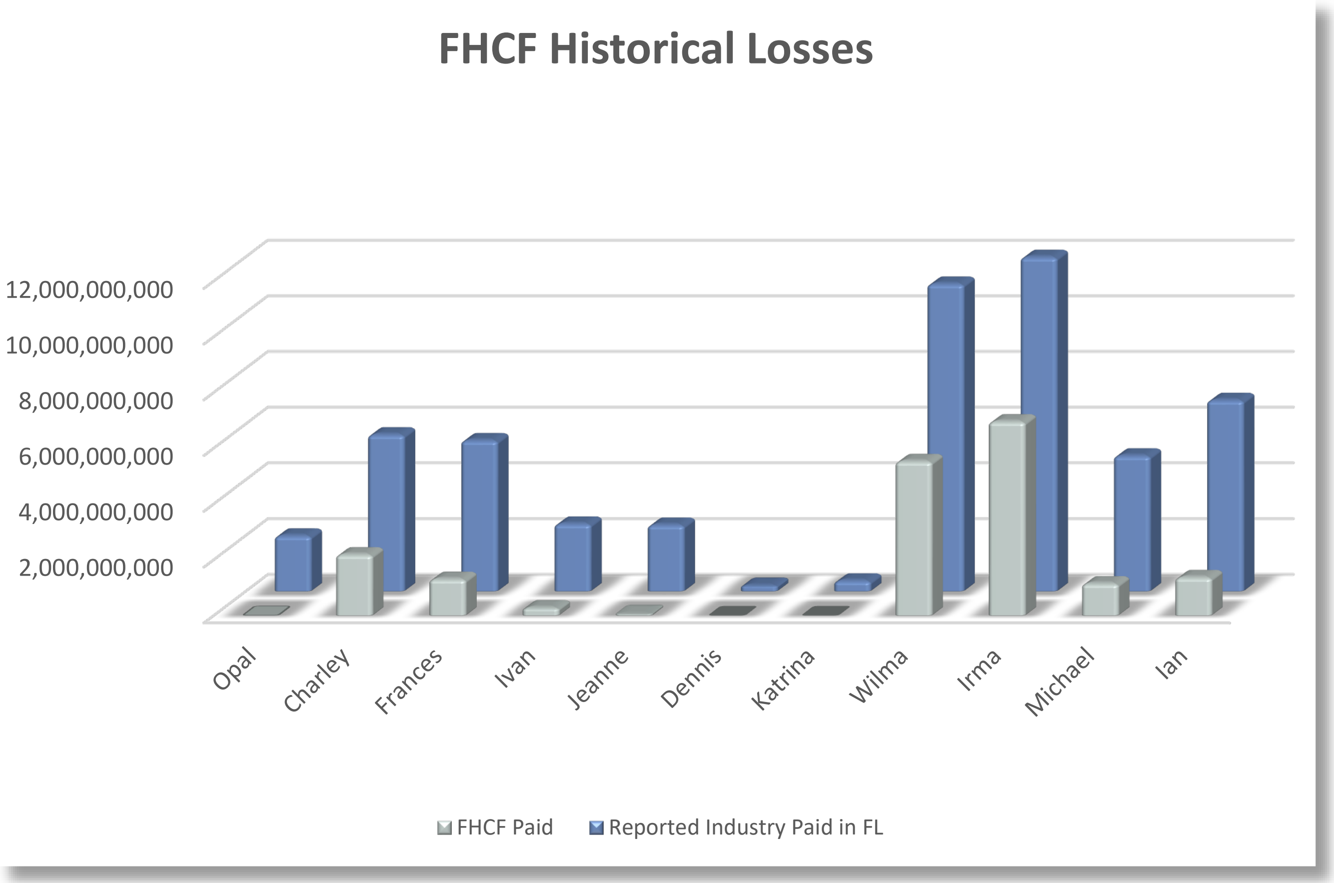
Year	Covered Event	# of Insurers Paid to Date	# Insurers Expected to be Paid	Total Paid to Date
2017	Irma	102	104	$7.00
2018	Michael	38	40	$1.16
2022	Ian	42	93	$1.38

HURRICANE LOSS REIMBURSEMENTS *(Continued)*





HURRICANE LOSS REIMBURSEMENTS *(Continued)*



Historical Paid Losses					
as of	4/30/2023				
	Name	Year	FHCF Paid	Reported Industry Paid in FL	% of Reported Paid In FL
1	Opal	10/4/1995	13,000,000	2,000,000,000	0.7%
2	Charley	8/13/2004	2,192,817,892	5,625,724,216	39.0%
3	Frances	9/5/2004	1,313,617,491	5,417,759,217	24.2%
4	Ivan	9/16/2004	283,602,146	2,427,257,517	11.7%
5	Jeanne	9/25/2004	69,262,522	2,388,968,705	2.9%
6	Dennis	7/10/2005	390,401	215,323,989	0.2%
7	Katrina	8/25/2005	149,992	387,786,477	0.0%
8	Wilma	10/23/2005	5,535,455,718	11,038,707,351	50.1%
9	Irma	9/10/2017	6,961,548,421	15,459,000,000	45.0%
10	Michael	10/10/2018	1,154,743,635	4,870,000,000	23.7%
11	Ian	9/28/2022	1,374,789,015	6,862,000,000	20.0%
	Total		18,899,377,232	56,692,527,472	

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

CITIZENS PROPERTY INSURANCE CORPORATION PANEL DISCUSSION

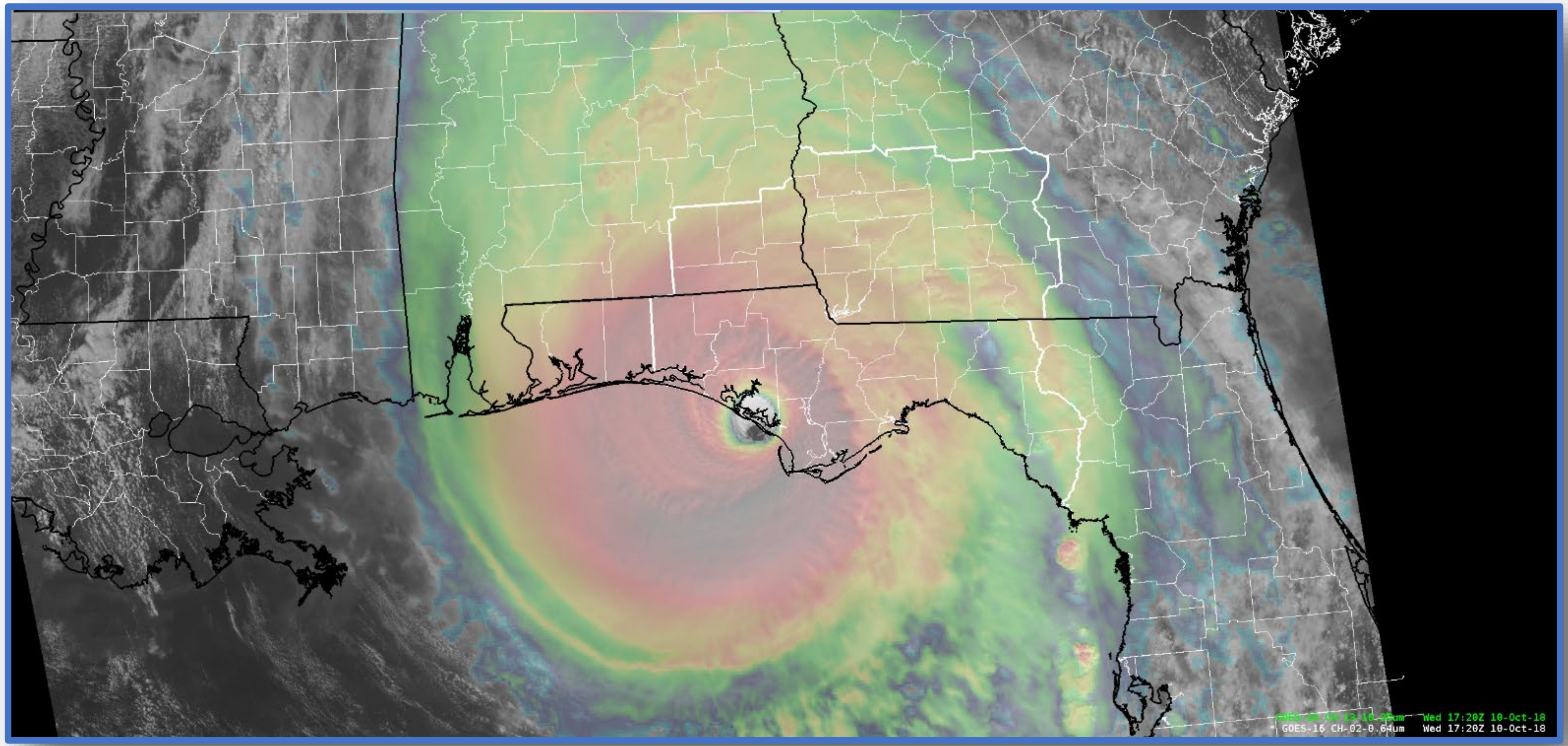
March Fisher, Senior Director, Corporate Analytics, Moderator

Tim Cerio, President/CEO and Executive Director

Jennifer Montero, Chief Financial Officer

Kelly Booten, Chief Operating Officer

BREAK



Hurricane Michael, 2018

Fred Karlinsky, Shareholder and Global Co-Chair of Insurance Regulatory and Transactions Practice, Greenberg Traurig

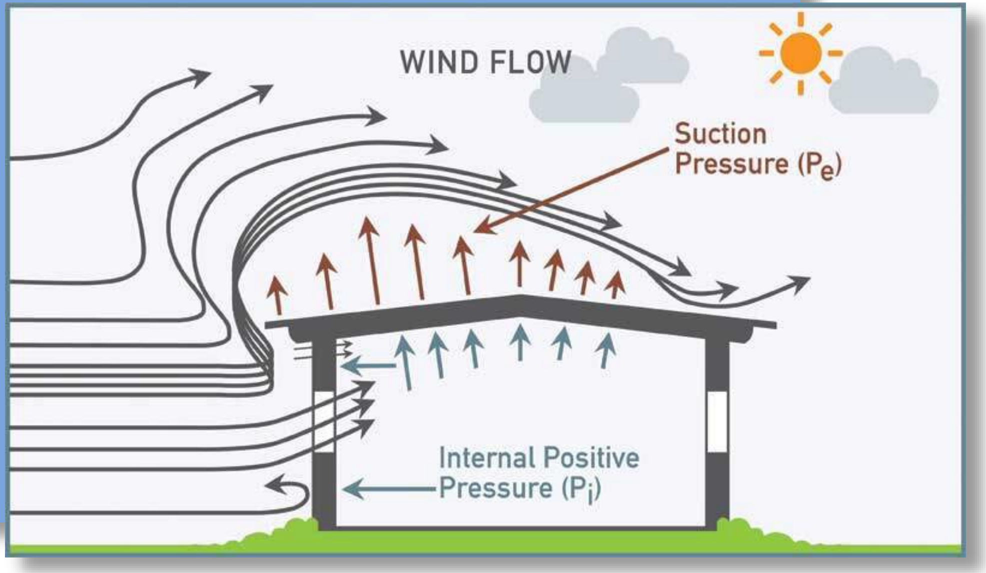
BUILDING THE FUTURE OF RESILIENCE

Roy Wright, President and CEO, Insurance Institute for Business and Home Safety

LUNCH

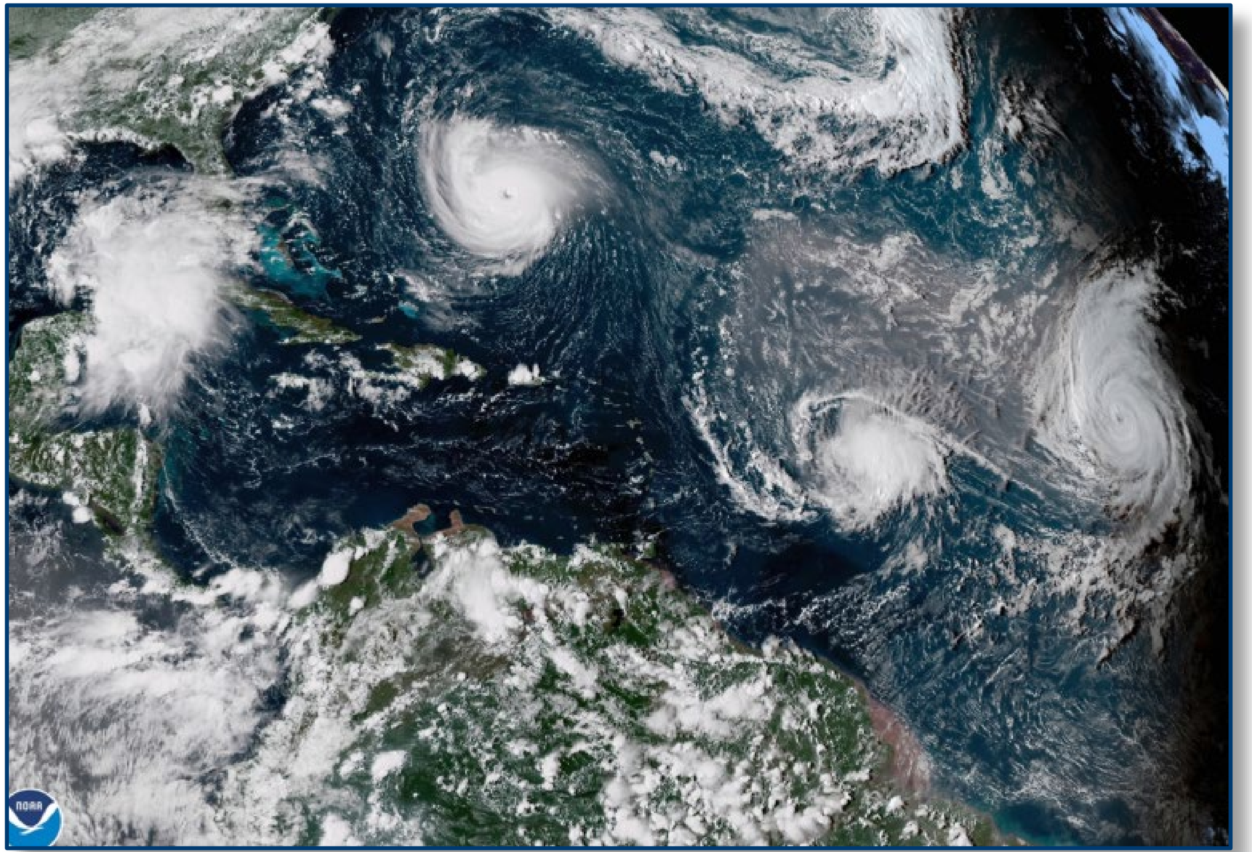
WIND EFFECTS ON BUILDINGS

Greg McLellan, P.E., Managing Principal, PE Group Consulting Engineers, Inc.



CURRENT AND PROJECTED TROPICAL CYCLONE ACTIVITY

Dr. Tim Hall, Senior Scientist, S&P Global



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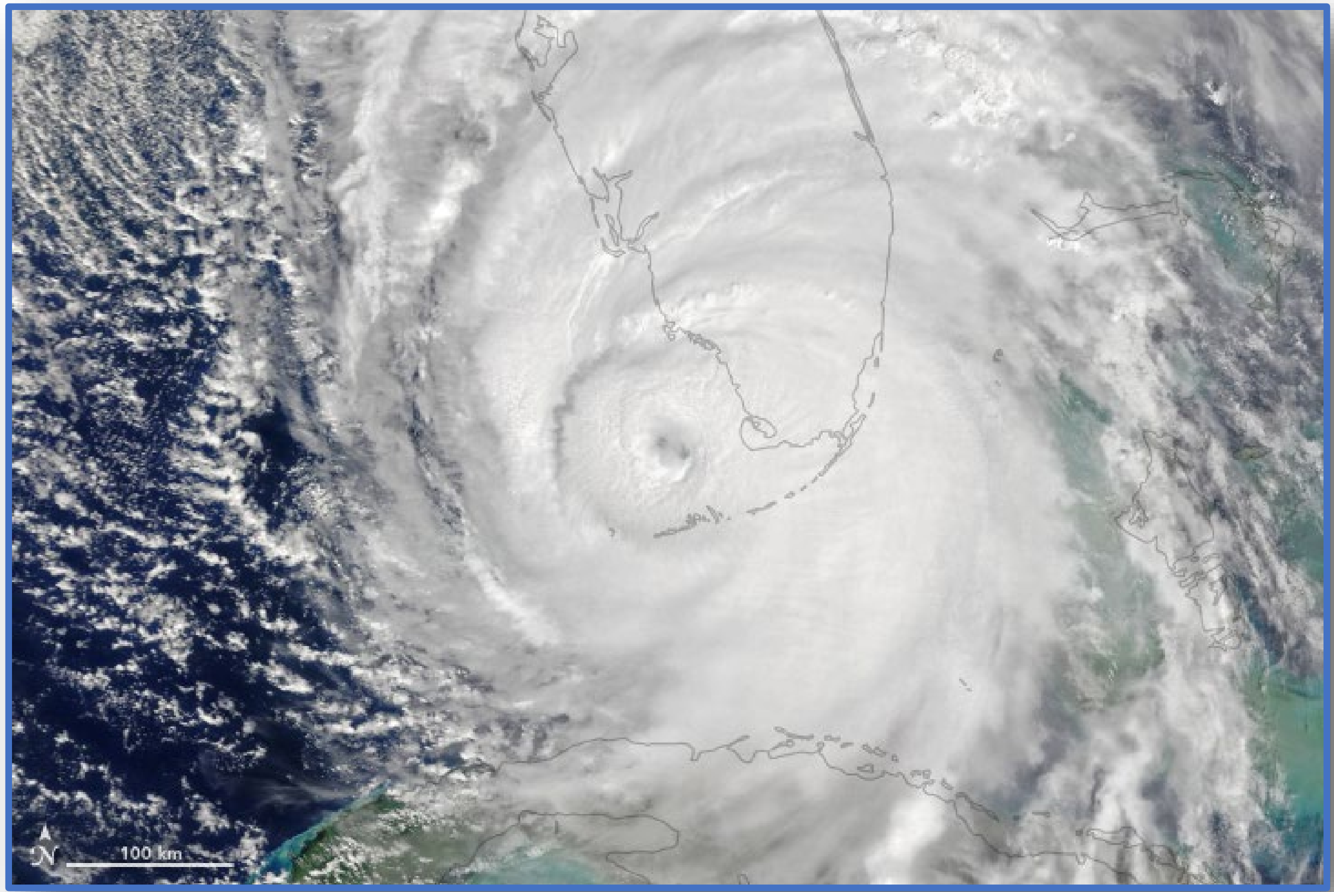

Hurricane Irma, 2017

REINSURANCE MARKET UPDATE

Chris Dittman, Executive Managing Director, Reinsurance Solutions, Aon

FLORIDA ECONOMIC OUTLOOK

Dave Sobush, Director of Research, Florida Chamber Foundation

CLOSING REMARKS

Gina Wilson, Chief Operating Officer, FHCF