

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



CLAIMS-PAYING CAPACITY ESTIMATES

MAY 21, 2026

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I. Introduction

The Florida Hurricane Catastrophe Fund (“FHCF”) is a tax-exempt trust fund created by the State of Florida in 1993 and is administered by the State Board of Administration of Florida under Section 215.555, Florida Statutes. It was created to operate exclusively for the purpose of protecting and advancing the state’s interest in maintaining insurance capacity by providing contractually specified coverage that provides reimbursement for a portion of residential property insurers’ hurricane losses. Participation is mandatory for authorized property insurers, subject to limited exceptions.

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

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

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

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

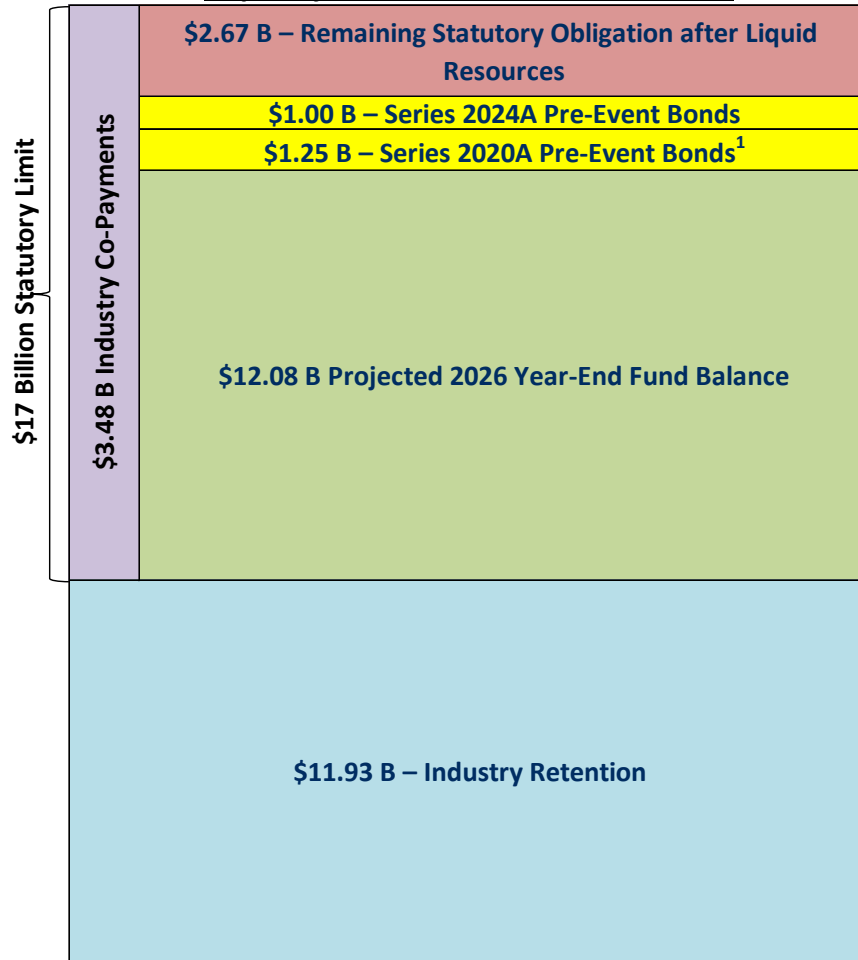
Pursuant to Section 215.555(4)(c)(2), Florida Statutes, *“in May and October of the contract year, the board shall publish in the Florida Administrative Register a statement of the fund’s estimated borrowing capacity, the fund’s estimated claims-paying capacity, and the projected balance of the fund as of December 31.”* The purpose of these claims-paying capacity estimate reports is to provide an estimate of the borrowing and claims-paying capacity of the FHCF for the 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 reserves 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 April 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 March 31, 2026, Paragon estimates total FHCF losses of \$7.00 billion for Hurricane Ian, \$1.00 million for Hurricane Idalia, \$10.00 million for Hurricane Helene, and \$1.00 billion for Hurricane Milton, with no losses expected from Hurricane Debby. The estimated ultimate loss for all prior year events was \$8.01 billion as of March 31, 2026.

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 145 participating insurers where each insurer has its own retention and coverage limits based upon its projected market share exposures, and therefore each participating insurer has its own unique probabilities of triggering its FHCF coverage and reaching its FHCF coverage limit.

Layer	FHCF Layer Loss (\$ in B)	Ground Up Losses for Average Verisk, RMS Company Retention Limit (\$ in B)	Return Times (Yrs) for Aggregate Verisk, RMS Company Retention Limit
\$1.00 Billion FHCF Layer	1.00	10.59	8.88
\$7.00 Billion FHCF Layer (Ian Level)	7.00	21.76	17.13
Projected Remaining Fund Balance Exhausted	12.08	31.36	26.33
Pre-Event Bonds Exhausted	14.33	38.32	34.61
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:

- (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 and the FHCF staff utilized the resources of the FHCF’s four senior managing underwriters to estimate FHCF borrowing capacity

Raymond James also serves as an independent advisor to numerous other governmental catastrophe insurance entities for all types of catastrophe perils across the country and its experience includes the evaluation and placement of risk transfer programs in both traditional and capital markets, the issuance of pre-event bonds and other liquidity mechanisms, the issuance of post-event bonds, structuring bank loans, and serving as an investment consultant. Raymond James ranks as the number one financial advisor to state-sponsored public insurance entities and is among the top ten municipal underwriters in the country and participates daily in the market for fixed income securities similar to those the FHCF has issued or would issue to help meet its reimbursement obligations after an event and has served as independent advisor or underwriter on the issuance of over \$49 billion of debt and related financial instruments for the FHCF and other governmental catastrophe insurance entities around the country since 2005. Raymond James currently has over \$1.7 trillion of assets under management.

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



III. Analytical Considerations

The FHCF has very strong debt repayment capabilities. From a credit standpoint, the ability to levy emergency assessments on all property and casualty insurance lines except workers' compensation, medical malpractice, federal flood, and accident and health lines is similar to a statewide sales tax on an essential product with an underlying premium base of \$92.12 billion¹. 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.

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

While the FHCF statute does limit the amount of assessments that can be levied – 6% for losses attributable to one contract year and 10% for losses attributable to all years – these percentages, when applied to the very large and diversified current assessment base of \$92.12 billion, mean the FHCF could 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 to meet the statutory limit of the FHCF, even at above current market rates. We have utilized rates of 6% for the initial season and 7% for the subsequent season in the table on page 15, which are significantly 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 accessibility of debt capital markets will depend on market conditions at that time. Therefore, it is critical to understand the risk and potential challenges the FHCF may face after an event.

In addition, pricing conditions in the global reinsurance markets affect the participating insurers' coverage percentage selections. Hardening market conditions in the global reinsurance markets, especially

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



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, 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 \$14.33 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 March 31, 2026, totalling approximately \$8.01 billion for Hurricanes Ian, Idalia, Helene, and Milton. This amount is \$1.75 billion lower than the reserve projection in the October 2025 Bonding Capacity Report due to favorable reserve development, resulting in a decrease in loss reserves.

FHCF Obligations and Liquidity Resources – 2026-2027 Contract Year	Amount (\$B)
Total Potential FHCF Obligations	\$17.00
Projected 2026 Year-End Fund Balance	\$12.08
Series 2020A Pre-Event Bonds Balance¹	\$1.25
Series 2024A Pre-Event Bonds Balance	\$1.00
Total Liquidity Resources	\$14.33
Total Liquidity Resources Below Potential Obligations	\$2.67

Numbers may not add due to rounding.

¹ While \$3.25 billion of pre-event bonds are outstanding as of April 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.

If an event occurs during the 2026-2027 Contract Year and losses are projected to exceed the year-end fund balance of \$12.08 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-\$10.96 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 Securitization Finance Corporation (TX)	2023	Customer Rate Relief Bonds	\$3,522
2	Dormitory Authority of the State of New York (NY)	2024	State Personal Income Tax Revenue Bonds	\$2,876
3	The City of New York City (NY)	2026	General Obligation Bonds	\$2,300
4	Dormitory Authority of the State of New York (NY)	2024	State Sales Tax Revenue Bonds	\$2,150
5	Dormitory Authority of the State of New York (NY)	2026	State Personal Income Tax Revenue Bonds, (General Purpose)	\$2,126
6	The City of New York City (NY)	2025	General Obligation Bonds	\$1,880
7	State of California (CA)	2023	Various Purpose General Obligation Bonds	\$1,804
8	The City of New York City (NY)	2025	General Obligation Bonds	\$1,750
9	State of Hawaii (HI)	2026	General Obligation Bonds	\$1,500
10	The City of New York City (NY)	2024	General Obligation Bonds	\$1,500
11	State of Hawaii (HI)	2026	General Obligation Bonds	\$1,500
12	Louisiana Local Govt Environmental Fac. and Comm. Dev. Authority (LA)	2023	System Restoration Bonds (Louisiana Utilities Restoration Corporation Project/ELL)	\$1,491
13	New Jersey Transportation Trust Fund Authority (NJ)	2024	Transportation Program Bonds	\$1,463
14	City of San Antonio (TX)	2025	Electric and Gas Systems Revenue Refunding Bonds	\$1,395
15	Berks County Municipal Authority (PA)	2024	Revenue Bonds (Tower Health Project)	\$1,241
16	Los Angeles Unified School District (CA)	2024	General Obligation Bonds (Dedicated Ad Valorem Property Tax Bonds)	\$1,100
17	South Carolina Public Service Authority (SC)	2025	Revenue Obligations (Santee Cooper)	\$1,021
18	Texas Water Development Board (TX)	2023	State Water Implementation Revenue Fund for Texas Revenue Bonds	\$1,013
19	Airport Commission of the City and County of San Francisco (CA)	2025	Second Series Revenue Bonds (San Francisco International Airport)	\$1,006
20	State Board of Administration Finance Corporation (FL)	2024	Revenue Bonds	\$1,000
21	Dormitory Authority of the State of New York (NY)	2025	New York University Revenue Bonds	\$985
22	The City of New York City (NY)	2023	General Obligation Bonds (Social Bonds)	\$965
23	San Francisco Bay Area Rapid Transit District (CA)	2025	General Obligation Bonds, (Election of 2016) (Green Bonds)	\$926
24	Airport Commission of the City and County of San Francisco (CA)	2024	Second Series Revenue Refunding Bonds (San Francisco International Airport)	\$925
25	National Finance Authority (NH)	2025	Revenue Bonds, (Winston-Salem Sustainable Energy Program)	\$855

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

Largest 25 Tax-Exempt Municipal Issuances By Par Amount Since 2023				
Rank	Issuer Name	Year of Sale	Issue Description	Par (\$MM)
1	Public Finance Authority (WI)	2025	Senior Lien Toll Revenue Bonds, (Georgia SR 400 Express Lanes Project)	\$3,438
2	Los Angeles Unified School District (CA)	2024	2024 General Obligation Refunding Bonds	\$2,975
3	Dormitory Authority of the State of New York (NY)	2024	State Personal Income Tax Revenue Bonds	\$2,876
4	Southeast Energy Authority, a Cooperative District (AL)	2025	Energy Supply Revenue Bonds	\$2,698
5	State of California (CA)	2025	Various Purpose General Obligation Refunding Bonds	\$2,631
6	State of California (CA)	2024	Various Purpose General Obligation Refunding Bonds	\$2,609
7	State of California (CA)	2024	Various Purpose General Obligation Refunding Bonds	\$2,584
8	State of California (CA)	2023	Various Purpose General Obligation Bonds	\$2,582
9	State of California (CA)	2023	Various Purpose General Obligation Refunding Bonds	\$2,553
10	New York Transportation Development Corporation (NY)	2024	Special Facilities Revenue Bonds (JFK Airport Terminal One Project)	\$2,550
11	State of California (CA)	2025	Various Purpose General Obligation Refunding Bonds	\$2,423
12	State of California (CA)	2026	Various Purpose General Obligation Refunding Bonds	\$2,409
13	State of Illinois (IL)	2023	General Obligation Bonds	\$2,311
14	New York City Transitional Finance Authority (NY)	2024	Future Tax Secured Subordinate Bonds	\$2,250
15	Jefferson County (AL)	2024	Sewer Revenue Warrants	\$2,243
16	Florida Development Finance Corporation (FL)	2024	Revenue Bonds, Series 2024 Brightline Trains Florida LLC Issue	\$2,219
17	The Regents of the University of California (CA)	2025	General Revenue Bonds	\$2,200
18	Dormitory Authority of the State of New York (NY)	2024	State Sales Tax Revenue Bonds	\$2,150
19	Dormitory Authority of the State of New York (NY)	2026	State Personal Income Tax Revenue Bonds	\$2,126
20	Dormitory Authority of the State of New York (NY)	2025	State Personal Income Tax Revenue Bonds	\$2,037
21	New York Transportation Development Corporation (NY)	2023	Special Facilities Revenue Bonds (JFK Airport Terminal One Project)	\$2,000
22	Massachusetts School Building Authority (MA)	2025	Subordinated Dedicated Sales Tax Bonds	\$1,995
23	The Regents of the University of California (CA)	2026	General Revenue Bonds	\$1,978
24	New York Transportation Development Corporation (NY)	2024	Special Facilities Revenue Bonds (JFK Airport Terminal 6 Project)	\$1,946
25	South Carolina Jobs-Economic Development Authority (SC)	2024	Health Care Facilities Revenue Bonds (Novant Health Obligated Group)	\$1,910

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



Florida Hurricane Catastrophe Fund

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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	The Black Belt Energy Gas District	\$5,549
2	New York City-New York	\$4,831
3	California Community Choice Fin Auth	\$3,825
4	Massachusetts Development Fin Agy	\$3,676
5	California	\$3,148
6	NYS Dorm Authority	\$2,177
7	NYC Municipal Water Finance Authority	\$2,111
8	NYC Transitional Finance Authority	\$2,000
9	The Regents of the University of California	\$1,978
10	Hawaii	\$1,938
11	Board of Regents of the University of TX	\$1,857
12	Pennsylvania	\$1,750
13	Austin-Texas	\$1,700
14	Ohio	\$1,687
15	California Municipal Finance Authority	\$1,684
16	Public Finance Authority	\$1,412
17	Houston-Texas	\$1,377
18	Washington	\$1,369
19	Metropolitan Nashville Airport Authority	\$1,267
20	Harris County Cultural Education Facilities Fin:	\$1,252
21	Los Angeles Metropolitan Transport Auth	\$1,238
22	Pennsylvania Economic Dev Fin Auth	\$1,219
23	Illinois	\$1,200
24	Tarrant County Cultural Education Corp	\$1,192
25	Los Angeles Dept of Water & Power	\$1,172

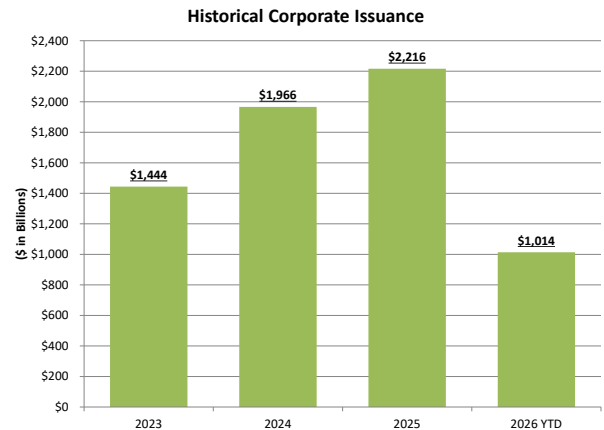
Source: Thomson Financial for long-term issuances from January 1, 2023 to April 30, 2026.



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 relatively stable with corporate spreads at historically low levels, but are always unpredictable.

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, but rates are increasing in 2026 due to global uncertainty and volatility. Through April 30, 2026, corporate bond issuance is over \$1.0 trillion, or 30% above the \$791 billion issued over the same time period in 2025. Corporate issuance in the first quarter was particularly strong with \$791 billion issued – the most issuance in a single quarter ever.



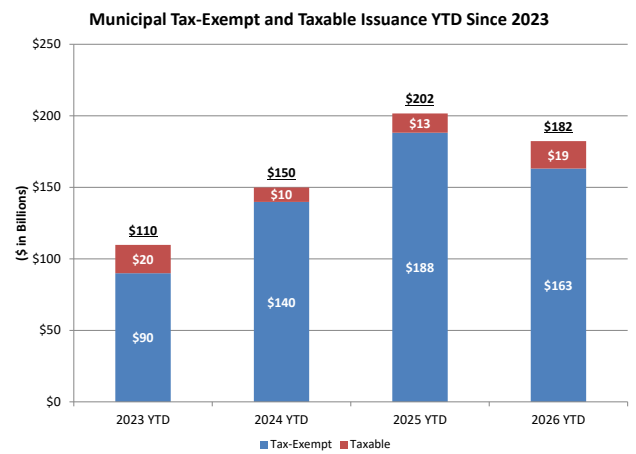
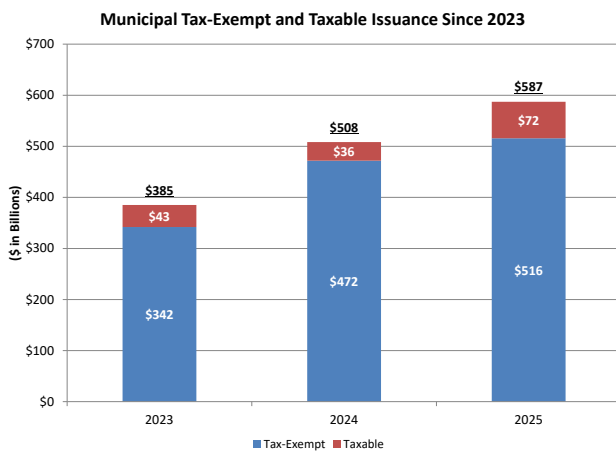
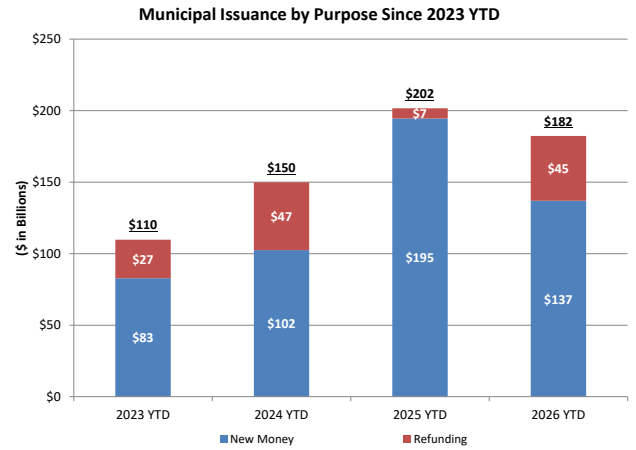
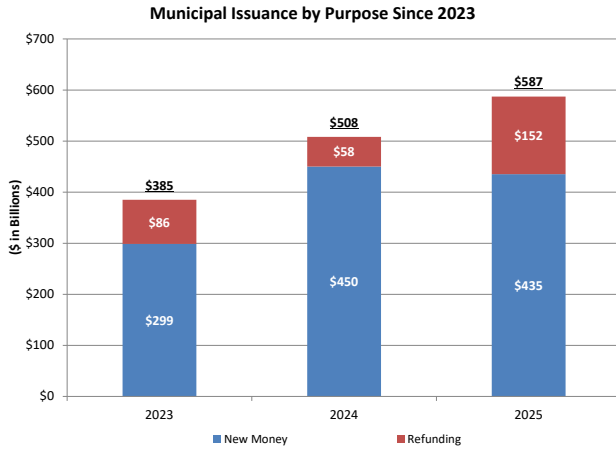
Source: SIFMA, 2025 year-to-date through April 30, 2026

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 \$182 billion and is 10% lower compared to the \$202 billion issued over the same time period in 2025.



Florida Hurricane Catastrophe Fund

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Source: Thomson Financial for municipal long-term issuances from January 1, 2023 to April 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% for the initial season and 7% for the subsequent season. There is also some overlap between tax-exempt and taxable capacity estimates and therefore the total capacity available could be marginally less than the sum of the tax-exempt and taxable capacity individually. A summary of the senior managers' responses is shown in the table on the following page:

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



FHCF Post-Event Estimated Borrowing Capacity					
	Bank of America	J.P. Morgan	Morgan Stanley	Wells Fargo	Average ¹
Borrowing Estimates					
Tax-Exempt:					
0-12 Months	\$1.5-\$2B	\$3-\$3.5B	\$3-\$4B	\$3-\$4B	\$3.0B
12-24 Months	\$2-\$3B	\$3.5-\$4B	\$3-\$4B	\$2-\$3B	\$3.1B
<i>Total tax-exempt</i>	<i>\$3.5-\$5B</i>	<i>\$6.5-\$7.5B</i>	<i>\$6-\$8B</i>	<i>\$5-\$7B</i>	<i>\$6.1B</i>
Taxable:					
0-12 Months	\$3-\$5B	\$4-\$5B	\$4-\$5B	\$3-\$4B	\$4.1B
12-24 Months	\$3-\$5B	\$4-\$5B	\$4-\$5B	\$2-\$3B	\$3.9B
<i>Total taxable</i>	<i>\$6-\$10B</i>	<i>\$8-\$10B</i>	<i>\$8-\$10B</i>	<i>\$5-\$7B</i>	<i>\$8.0B</i>
Tax-Exempt and Taxable					
0-12 Months Total	\$4.5-\$7B	\$7-\$8.5B	\$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-\$17.5B	\$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 \$12.08 billion. It also has pre-event liquidity available of \$2.25 billion for total available liquidity of \$14.33 billion. The FHCF has an estimated borrowing capacity of \$7.10 billion over 0-12 months and \$7.00 billion over 12-24 months.

The table on the following page reflects the 2026-2027 Contract Year claims-paying capacity estimate of \$21.43 billion, which is \$4.43 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 \$12.78 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 \$23.09 billion.



		Maximum Statutory Limit Exhausted in Prior Year	Assuming No Additional Events in Prior Year
(\$ in Billions, Totals may not add due to rounding)	2026-2027 Contract Year	2027-2028 Contract 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)	\$12.08	\$1.35	\$13.74
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)	\$14.33	\$1.35	\$15.99
Additional Funds / Potential Borrowing Need (E - A) = (F)	(\$2.67)	(\$15.65)	(\$1.01)
FHCF Claims-Paying Capacity			
Estimated FHCF Borrowing Capacity (0-12 Months) (G)	\$7.10	\$7.00	\$7.10
Unutilized FHCF Borrowing Capacity (0-12 Months) (H)	N/A	\$4.43	N/A
Total Estimated Claims-Paying Capacity (E + G + H) = (I)	\$21.43	\$12.78	\$23.09
Total Estimated Claims-Paying Capacity as a % of FHCF Coverage Obligation (I / A) = (J)	126%	75%	136%
Amount Above / (Below) Coverage Obligation (J - A) = (K)	\$4.43	(\$4.22)	\$6.09

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.

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

(\$ in Billions)	2026-2027 Contract Year ¹	2027-2028 Contract Year ²
Total Potential Borrowing	\$2.67	\$11.43
Assessment % over 30 Years if Financed at a Rate of 6% for the Initial Season and 7% for the Subsequent Season	0.21%	1.00%
Assessment % over 10 Years if Financed at a Rate of 6% for the Initial Season and 7% for the Subsequent Season	0.39%	1.77%

¹ The potential borrowing for the 2026-2027 Contract Year is shown as the estimated potential borrowing of approximately \$2.67 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 0.33%. The total assessment burden for the \$4.92 billion of bonding would be 0.73% over a 10-year period if the maximum statutory limit is exhausted.

² The potential borrowing for the 2027-2028 Contract Year of \$11.43 billion reflects the maximum statutory limit exhausted in the prior year and is shown as the remaining 0-12 month estimated borrowing capacity of \$4.43 billion and the 12-24 month estimated borrowing capacity of \$7.00 billion.

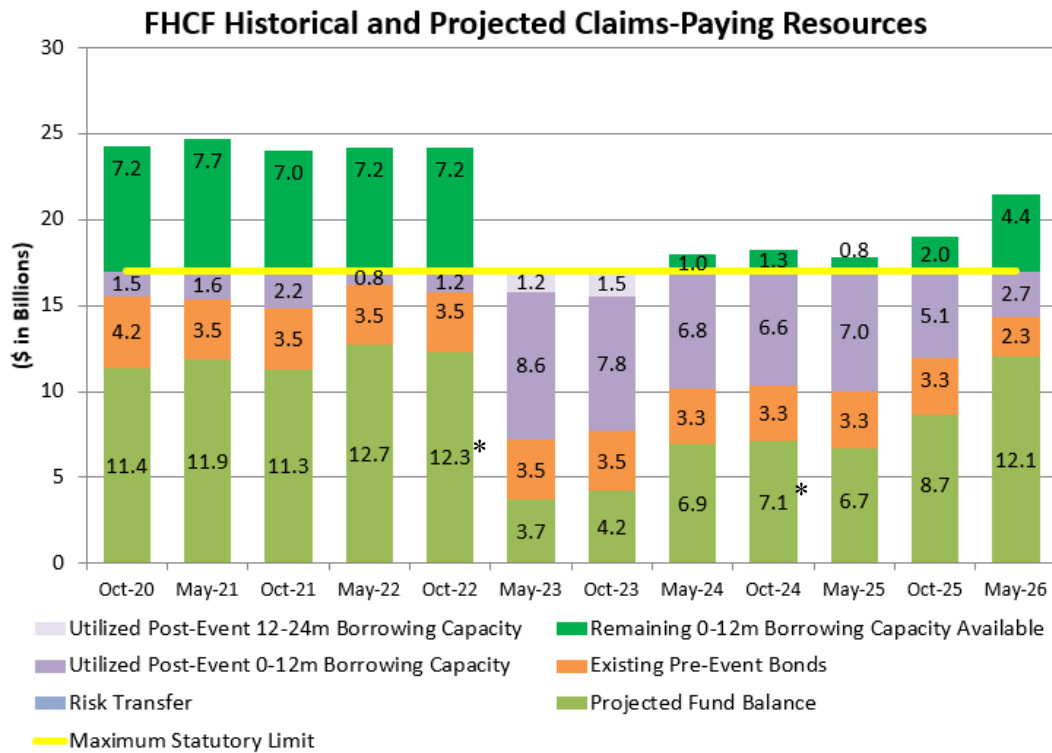
Historical Perspective on Estimated Claims-Paying Capacity

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 May 2026 average borrowing capacity estimates of \$7.10 billion for 0-12 months and \$7.00



billion for 12-24 months are flat and \$600 million higher, respectively, as compared to the October 2025 average borrowing estimate.

The chart below reflects the history of the FHCF’s claims-paying resources since October 2020 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 October 2022.



Post-Event Estimated Borrowing Capacity (Senior Managers' Range)									
(\$ in Billions)	Oct-22	May-23	Oct-23	May-24	Oct-24	May-25	Oct-25	May-26	Oct. 2025 - May 2026 Change
0-12 Months	\$4.5-\$13	\$4.5-\$13	\$4.5-\$11	\$4.5-\$12	\$4.5-\$12	\$4.5-\$12	\$4.5-\$9	\$4.5-\$9	◀.....▶
12-24 Months	\$4-\$20	\$4-\$13	\$5-\$11	\$5-\$9	\$5-\$9.5	\$5-\$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 \$18.83 billion, which is \$1.83 billion above the 2026-2027 contract year statutory limit of \$17 billion.

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 \$12.78 billion, representing approximately 75% 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 continued stability and sustainability of the FHCF are 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](#)

Subject: FHCF Bonding Capacity Estimates
Date: Monday, April 27, 2026 3:30:00 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, May 21st at 1:30 PM.

For the bonding capacity analysis, we would like to know your opinion of the FHCF's tax-exempt and taxable bonding capacity over a 0-12 month and 12-24 month period and are still comfortable including estimates that contain above-market interest rate capacity estimates in recognition of the fact that the FHCF has ample assessment capability within its statutory limits to issue bonds, even at above market rates, if needed.

In order to prepare the FHCF Bonding Capacity Report for May 2026, we need the following data elements from you by close of business Monday, May 4th:

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Monday, April 27th. 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 Monday, April 27th. 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 Monday, May 4th. 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



To: Florida Hurricane Catastrophe Fund
From: BofA Securities, Inc.
Date: May 4, 2026
Subject: Florida Hurricane Catastrophe Fund – May 2026 Bonding Capacity Analysis

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

Market Commentary. As we are preparing this response, taxable and municipal rates are navigating another pocket of volatility driven primarily by a persistent shock in the global oil and energy market. Oil prices went well above \$100/bbl this week as ceasefire negotiations stalled and the Strait of Hormuz remained largely closed. At this point, the timeline of the war or peace remains unclear. At Wednesday’s FOMC meeting, the Fed held rates unchanged and maintained an easing bias, but the overall composition of committee members’ preference shifted in the somewhat less-dovish direction. Notably, three members of the FOMC objected to retaining an “easing bias” that for the prior two years has indicated that a rate cut is more likely than a hike. The next Fed rate cut may not come early when the new Chair Kevin Warsh takes over. At his final post-meeting press conference as Fed Chair, Jay Powell highlighted the uncertainty of the US-Israel/Iran conflict – now in its 3rd month – and its possible impact on the economy and inflation. He also mentioned the possibility of a weakening labor market. In the meantime, US economic data last week looked quite solid. BofA research continues to view the federal reserve as in a ‘wait and see’ period, with incoming labor and economic activity data expected to be decisive for the Fed as well as other global central banks.

Treasury yields have shifted higher in recent weeks, led by the front end amid a more hawkish tone from the April FOMC meeting and renewed upside risks to inflation. The long-end of the Treasury curve has also been elevated over the past 6 months, and has recently tested key thresholds, including brief brushes with the 5.00% 30-year treasury rate level that the current federal administration has actively tried to avoid. The next major item of attention for Treasury markets will be the May refunding for any signal and forward guidance around coupon auction sizing, as well as broader funding and cash-balance considerations.

Rates Forecast. In April, BofA research revised their treasury rate cut forecast but kept their prediction of two cuts by the end of 2026, taking the Fed Funds rate to 3.25% by the end of 2026. Fed commentary from the April meeting noted that economic activity has been expanding at a solid pace, though job gains remain low, and the unemployment rate has remained relatively stable. Overall, inflation remains elevated reflecting recent energy price shocks. The Fed reasserted their dual mandate of achieving maximum employment and inflation at the rate of 2% over the long run, but acknowledged uncertainties in economic outlook due to ongoing conflicts in the Middle East.

Metric	4/27/26	2026 Q2	2026 Q3	2026 Q4	2027 Q1
Fed Funds Rate	3.75%	3.75%	3.50%	3.25%	3.25%
2YR T-Note	3.78%	3.75%	3.65%	3.50%	3.50%
5YR T-Note	3.94%	3.90%	3.80%	3.75%	3.75%
10YR T-Note	4.35%	4.35%	4.30%	4.25%	4.25%
30YR T-Bond	4.94%	4.85%	4.80%	4.75%	4.75%

Since our October 2025 update, tax-exempt rate movement has been mixed. The Municipal ‘AAA’ benchmark MMD curve has decreased by as much as 29 basis points in the body of the curve and has increased by as much as 21 basis points in earlier years, while the one-year and 30-year rate remaining relatively unchanged. The aggregate steepness of the curve is relatively similar to 6-months ago with the 1–30 year tax-exempt MMD yield differential sitting at 182 basis points today compared to 188 basis points in October.

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The municipal market has already seen net inflows of approximately \$18.2 billion year-to-date that has contributed to strong performance in the muni market, despite very steady issuance volume with year-to-date total of \$176.1 billion or a 1.2% increase year over year. New money issuance is up 5.1%, while refundings are down 18.8% year over year. Moving forward to May, municipal internal demand/supply technicals will be much stronger than April. BofA Research forecasts \$53 billion of new issuance in May and \$56 billion of redemptions and coupon payments. May is the first month of a strong May-August season with larger redemptions than issuance. In this season, regardless of what happens to Treasury yields, municipals tend to outperform Treasuries. BofA Research believes both the macro rates environment and municipal market internal supply/demand dynamics support municipal market rates should be rangebound for the next months, absent the war escalating in a definitive way.

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

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1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Monday, April 27th. 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%	2.450%	25 bps	2.700%
2	2028	5.000%	2.370%	25 bps	2.620%
3	2029	5.000%	2.380%	25 bps	2.630%
4	2030	5.000%	2.460%	25 bps	2.710%
5	2031	5.000%	2.530%	25 bps	2.780%
6	2032	5.000%	2.620%	27 bps	2.890%
7	2033	5.000%	2.650%	28 bps	2.930%
8	2034	5.000%	2.730%	30 bps	3.030%
9	2035	5.000%	2.830%	30 bps	3.130%
10	2036	5.000%	2.950%	30 bps	3.250%
11	2037	5.000%	3.010%	33 bps	3.340%
12	2038	5.000%	3.090%	35 bps	3.440%
13	2039	5.000%	3.200%	37 bps	3.570%
14	2040	5.000%	3.240%	40 bps	3.640%
15	2041	5.000%	3.320%	40 bps	3.720%
16	2042	5.000%	3.400%	40 bps	3.800%
17	2043	5.000%	3.500%	40 bps	3.900%
18	2044	5.000%	3.630%	40 bps	4.030%
19	2045	5.000%	3.760%	40 bps	4.160%
20	2046	5.000%	3.890%	40 bps	4.290%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051	5.250%	4.170%	45 bps	4.620%
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	5.250%	4.270%	45 bps	4.720%

2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Monday, April 27th. 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	4.380%	3.780%	60 bps	4.380%
2	2028	4.330%	3.780%	55 bps	4.330%
3	2029	4.430%	3.830%	60 bps	4.430%
4	2030	4.540%	3.940%	60 bps	4.540%
5	2031	4.640%	3.940%	70 bps	4.640%
6	2032	4.840%	4.140%	70 bps	4.840%
7	2033	4.890%	4.140%	75 bps	4.890%
8	2034	5.050%	4.350%	70 bps	5.050%
9	2035	5.100%	4.350%	75 bps	5.100%
10	2036	5.150%	4.350%	80 bps	5.150%
11	2037	5.200%	4.350%	85 bps	5.200%
12	2038	5.250%	4.350%	90 bps	5.250%
13	2039	5.300%	4.350%	95 bps	5.300%
14	2040	5.350%	4.350%	100 bps	5.350%
15	2041	5.400%	4.350%	105 bps	5.400%
16	2042				
17	2043				
18	2044				
19	2045				
20	2046	5.840%	4.940%	90 bps	5.840%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051				
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	5.890%	4.940%	95 bps	5.890%

*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 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

To: Florida Hurricane Catastrophe Fund
From: J.P. Morgan
Date: May 4, 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 May 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. Geopolitical tensions, particularly in the Middle East, continue to influence global markets. Brent crude prices have surged, approaching \$115 per barrel, as recent US policy actions signal preparations for an extended naval blockade to pressure Iran. This escalation has heightened uncertainty around energy supply routes, notably the Strait of Hormuz, and contributed to volatility in both oil and Treasury markets.

Fed Developments. The April 29th FOMC meeting resulted in the Federal Reserve keeping its target rate unchanged at 3.5-3.75%, but revealed notable divisions within the committee. Governor Miran dissented in favor of a rate cut, while Presidents Hammack, Kashkari, and Logan dissented against maintaining the statement’s easing bias, which refers to the possibility of further rate cuts. This growing cohort of dissenters now sees hikes as equally likely as cuts for the next policy move. Chair Powell, whose term as chair expires in mid-May, announced he will remain as governor “for a period of time” to serve as a check on threats to Fed independence. Powell’s press conference emphasized a more neutral stance, highlighting the need for stabilization in energy prices and progress on tariffs before considering rate cuts, and acknowledged the committee’s move toward a neutral bias amid persistent inflation and labor market stability. Markets responded by repricing the Fed policy path, now reflecting a roughly 50% probability of a rate hike in early 2027, marking the meeting as the most hawkish since June 2025.

Labor Market. The labor market continues to show resilience. The April Conference Board consumer confidence index came in firmer than expected at 92.8, and the labor market differential reached a four-month high of 7.5%, recovering from a cycle low in February. This improvement tempers risks of a step up in the unemployment rate. Jobless claims remain constructive, with continuing claims ticking up only slightly but the four-week average staying near the lowest levels since June 2024. This suggests that layoffs remain contained and the unemployment rate is likely to remain below its recent peak. State-level unemployment rates have shown some increases, with 20 states reporting rates at or above 4.5% in February, up from 19 in January. However, commentary from state labor departments suggests that some of these increases are due to labor force expansion rather than widespread job losses.

Inflation. US headline inflation has accelerated, with PCE inflation projected to reach 3.5% year-over-year in 2026, largely due to the recent energy price shock stemming from Middle East conflict and oil price spikes. This follows an average of 2.6% in 2025. Core inflation remains elevated, with core CPI holding just under 3% annualized in the three months through March, and core PCE tracking a firmer 4.1% annualized gain for 1Q26. Tariffs are also contributing to inflation, with estimates suggesting a 1% increase in the overall price level over 18-24 months for a sustained tariff shock, and ongoing pass-through effects, especially as tariffs increasingly affect intermediate inputs.

Interest Rates. Since the beginning of the conflict in the Middle East, U.S. Treasuries have increased by as much as 29-42bps, mostly led by the short-end of the curve as markets adjust to inflationary oil and energy pressures. March tax-exempt yields moved wider by as much as 37-66bps, with the largest

MARKET CATALYSTS – MACRO THEMES



Macroeconomic Developments and Policy: Recent geopolitical tensions in the Middle East, monetary policy developments, and mounting concerns about AI-related disruption have spiked volatility across all major asset classes



FOMC: The Fed held its benchmark rate steady at 3.50%-3.75% in April, as officials debated policy direction and signaled a shift toward a more neutral stance amid labor market stabilization and ongoing inflation concerns



Inflation: The April inflation report showed rising price pressures, while markets remain concerned that a prolonged conflict in the Middle East may lead to sustained cost increases across energy, food, and global shipping



Labor Market: March’s US jobs report reflects a resilient labor market, as the unemployment rate fell to 4.3% and nonfarm payrolls rose by 138k, reversing doubt cast by weaker February payroll data

MMD YIELDS OVER THE PAST YEAR



Source: J.P. Morgan as of 04/27/2026

underperformance concentrated in the 10-year point of the curve where issuance has been heaviest in recent quarters. After peaking on March 27, yields have fallen for both markets, with U.S. Treasuries rallying 7-16 bps across the curve, while MMD outperformed by rallying 16-29 bps. Ratios have widened in the intermediate part of the curve but remain attractive from a historical perspective, and steepness in shorter maturities continues to offer value.

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

Based on market conditions as of close of business April 27, 2026, J.P. Morgan estimates that FHCF could sell \$3.0-3.5 billion of tax-exempt bonds and \$4.0-5.0 billion of taxable bonds over the next 0-12 months at the market rate assumptions

Indicative Post-Event Market Capacity as of 4/27/2026			
Time Period	Tax-Exempt	Taxable	Total
0-12 Months	\$3.0-3.5 billion	\$4.0-5.0 billion	\$7.0-8.5 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	\$8.0-10.0 billion	\$14.5-17.5 billion

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 \$8.0-10.0 billion taxable, for a total of \$14.5-17.5 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 Monday, April 27th. 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		2.45%	25	5.00%	2.70%
2	7/1/2028		2.37%	28	5.00%	2.65%
3	7/1/2029		2.38%	30	5.00%	2.68%
4	7/1/2030		2.46%	32	5.00%	2.78%
5	7/1/2031		2.53%	34	5.00%	2.87%
6	7/1/2032		2.62%	36	5.00%	2.98%
7	7/1/2033		2.65%	38	5.00%	3.03%
8	7/1/2034		2.73%	40	5.00%	3.13%
9	7/1/2035		2.83%	40	5.00%	3.23%
10	7/1/2036		2.95%	40	5.00%	3.35%
11	7/1/2037		3.01%	40	5.00%	3.41%
12	7/1/2038		3.09%	40	5.00%	3.49%
13	7/1/2039		3.20%	40	5.00%	3.60%
14	7/1/2040		3.24%	40	5.00%	3.64%
15	7/1/2041		3.32%	40	5.00%	3.72%
16	7/1/2042		3.40%	40	5.00%	3.80%
17	7/1/2043		3.50%	40	5.00%	3.90%
18	7/1/2044		3.63%	40	5.00%	4.03%
19	7/1/2045		3.76%	40	5.00%	4.16%
20	7/1/2046		3.89%	40	5.00%	4.29%
21	7/1/2047	*				
22	7/1/2048	*				
23	7/1/2049	*				
24	7/1/2050	*				
25	7/1/2051	T	4.17%	42	5.25%	4.59%
26	7/1/2052	*				
27	7/1/2053	*				
28	7/1/2054	*				
29	7/1/2055	*				
30	7/1/2056	T	4.27%	45	5.25%	4.72%

Assumes MMD as of close of business April 27, 2026, an optional redemption date of 7/1/2036 at par and \$3 billion transaction size.

Please provide a 30-year taxable scale using the Treasury curve at the close of business Monday, April 27th. 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		3.803%	45	4.253%	4.253%
2	7/1/2028		3.803%	50	4.303%	4.303%
3	7/1/2029		3.825%	55	4.375%	4.375%
4	7/1/2030		3.950%	60	4.550%	4.550%
5	7/1/2031		3.950%	65	4.600%	4.600%
6	7/1/2032		4.131%	60	4.731%	4.731%
7	7/1/2033		4.131%	70	4.831%	4.831%
8	7/1/2034		4.335%	60	4.935%	4.935%
9	7/1/2035		4.335%	70	5.035%	5.035%
10	7/1/2036		4.335%	75	5.085%	5.085%
11	7/1/2037		4.335%	85	5.185%	5.185%
12	7/1/2038		4.335%	90	5.235%	5.235%
13	7/1/2039		4.335%	95	5.285%	5.285%
14	7/1/2040		4.335%	100	5.335%	5.335%
15	7/1/2041		4.335%	105	5.385%	5.385%
16	7/1/2042	*				
17	7/1/2043	*				
18	7/1/2044	*				
19	7/1/2045	*				
20	7/1/2046	T	4.908%	85	5.758%	5.758%
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	4.941%	95	5.891%	5.891%

Assumes UST as of close of business April 27, 2026, a make-whole call and \$3 billion transaction size.

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To: Florida Hurricane Catastrophe Fund

Date: May 4, 2026

From: Morgan Stanley

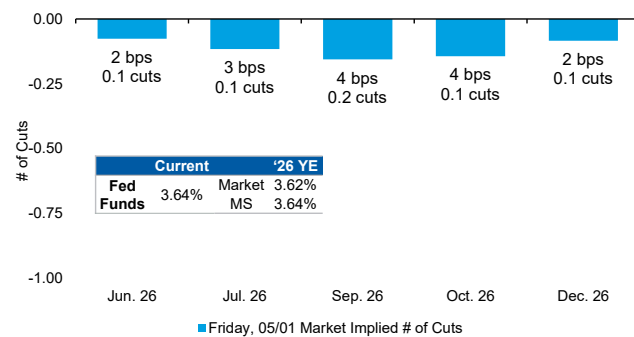
Subject: FHCF May 2026 Semi-Annual Bonding Capacity Analysis

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. At the April 2026 meeting, the FOMC held the Federal Funds Rate steady at 3.50%–3.75%, with three FOMC members dissenting against the inclusion of an easing bias in the statement following the meeting. Chair Jerome Powell cited that “the economic outlook remains highly uncertain, and the conflict in the Middle East has added to this uncertainty”. As of April 31st, Fed Funds futures are pricing in no change to the Fed Funds rate through 2026 year-end. Current expectations mark a significant reversal from expectations prior to the Middle East conflict when the market was forecasting ~60 bp of cumulative cuts through year-end. Morgan Stanley Research now expects the Fed to remain on hold for the rest of 2026, followed by 25 bp cuts in January and March 2027. Additionally, President Trump announced that the U.S. has rejected Iran’s proposal to reopen the Strait of Hormuz, which was contingent on the removal of US naval blockades at Iranian ports and a delay in discussions surrounding Iran’s nuclear program. Overall, despite tariff-related drags and slow hiring, the US economy is expected to return to modest growth in 2026 as the economy emerges from public policy uncertainty, consumer spending gradually recovers, and AI-driven investment add to momentum.

Market Dynamics. The tax-exempt yield curve remains steep despite flattening in recent weeks with over 180 bp of slope between 2Y/30Y. Issuance has remained active amid macro volatility; \$12.5B is expected to price the first week of May, above the ~\$11B YTD average. Additionally, muni funds are off to a strong start in 2026 with net inflows in all but two weeks; YTD inflows total \$29.5B. Ratios also remain well below long-term averages despite recent macro volatility.

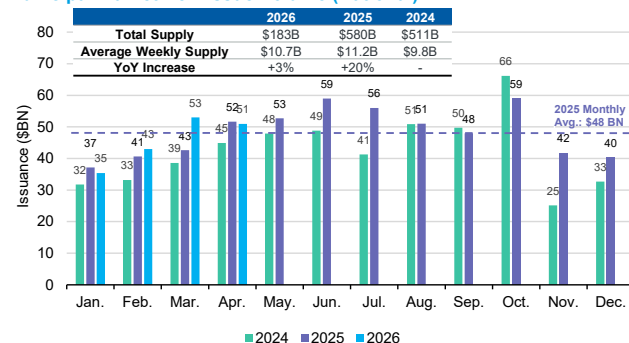
Market-Implied Fed Funds Rate Expectations and MS Forecast



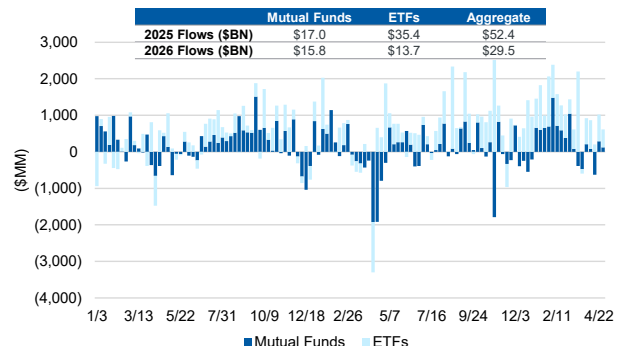
Rates and Ratios Movement (4/27/2026)

	Current	Δ WoW	Δ MoM	Δ YTD	Δ YTD High
5Y MMD	2.51%	+1	-19	+10	-19
10Y MMD	2.91%	-	-27	+15	-27
30Y MMD	4.27%	-	-27	+3	-27
5Y UST	3.95%	+10	-12	+24	-15
10Y UST	4.33%	+9	-10	+18	-10
30Y UST	4.94%	+6	-4	+11	-4
5Y Ratio	64%	-1%	-3%	-1%	-4%
10Y Ratio	67%	-1%	-5%	+1%	-6%
30Y Ratio	86%	-1%	-5%	-1%	-6%

Municipal Market New Issue Volume (National)



Municipal Mutual Fund and ETF Flows



Sources: Morgan Stanley Matrix, SDC, Bloomberg

Morgan Stanley

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

1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Monday, April 27th. 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 (4/27/2026) ⁽¹⁾	Spread (bps)	Coupon	Yield
1	2027	2.45%	20	5.00%	2.65%
2	2028	2.37%	23	5.00%	2.60%
3	2029	2.38%	25	5.00%	2.63%
4	2030	2.46%	28	5.00%	2.74%
5	2031	2.53%	30	5.00%	2.83%
6	2032	2.62%	32	5.00%	2.94%
7	2033	2.65%	33	5.00%	2.98%
8	2034	2.73%	35	5.00%	3.08%
9	2035	2.83%	37	5.00%	3.20%
10	2036	2.95%	38	5.00%	3.33%
11	2037	3.01%	40	5.00%	3.41%
12	2038	3.09%	40	5.00%	3.49%
13	2039	3.20%	40	5.00%	3.60%
14	2040	3.24%	40	5.00%	3.64%
15	2041	3.32%	40	5.00%	3.72%
16	2042	3.40%	40	5.00%	3.80%
17	2043	3.50%	40	5.00%	3.90%
18	2044	3.63%	40	5.00%	4.03%
19	2045	3.76%	40	5.00%	4.16%
20	2046	3.89%	40	5.00%	4.29%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051	4.17%	40	5.00%	4.57%
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	4.27%	35	5.25%	4.62%

Notes:

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

(2) Based on July Interpolated MMD on 4/27/2026

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2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Monday, April 27th. 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 (4/27/2026)	Spread (bps)	Coupon	Yield
1	2027	3.80%	30	4.10%	4.10%
2	2028	3.80%	35	4.15%	4.15%
3	2029	3.83%	40	4.23%	4.23%
4	2030	3.95%	45	4.40%	4.40%
5	2031	3.95%	50	4.45%	4.45%
6	2032	4.13%	50	4.63%	4.63%
7	2033	4.13%	55	4.68%	4.68%
8	2034	4.33%	55	4.88%	4.88%
9	2035	4.33%	60	4.93%	4.93%
10	2036	4.33%	65	4.98%	4.98%
11	2037	4.33%	70	5.03%	5.03%
12	2038	4.33%	75	5.08%	5.08%
13	2039	4.33%	80	5.13%	5.13%
14	2040	4.33%	85	5.18%	5.18%
15	2041	4.33%	90	5.23%	5.23%
16	2042				
17	2043				
18	2044				
19	2045				
20	2046	4.94%	75	5.69%	5.69%
21	2047				
22	2048				
23	2049				
24	2050				
25	2051				
26	2052				
27	2053				
28	2054				
29	2055				
30	2056	4.94%	85	5.79%	5.79%

Notes:

(1) Assumes Make-Whole Call

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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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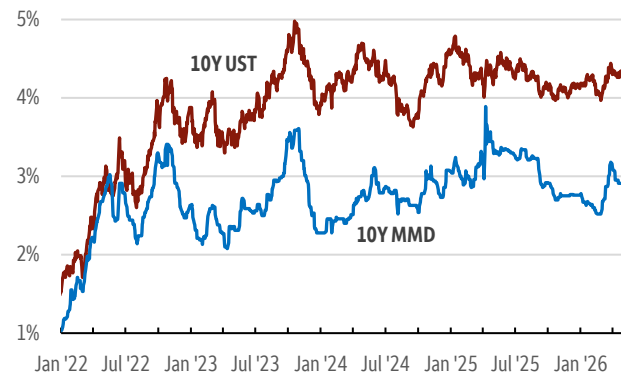
To: Florida Hurricane Catastrophe Fund
From: Wells Fargo Corporate and Investment Banking
Date: May 4, 2026
Re: Florida Hurricane Catastrophe Fund Bonding Capacity Estimate for May 2026

Wells Fargo Corporate and Investment Banking (“Wells Fargo”) has prepared the following estimate of the Florida Hurricane Catastrophe Fund’s (“FHCF”) bonding capacity as of May 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. Current interest rate levels are modestly higher than in late 2025; however, sustained municipal market inflows and prior FHCF issuance precedent continue to support execution. We would be pleased to address any questions regarding these estimates or provide additional analysis at the request of FHCF staff.

Market Commentary¹

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 \$1.02 billion of net inflows for the week ending April 22, 2026, bringing year-to-date inflows to approximately \$28.8 billion. Intermediate and long-term municipal yields were largely stable during the period, with the 5-year MMD declining by 1 basis point to 2.51%, while the 10- and 30-year MMD remained unchanged at 2.91% and 4.27%, respectively. These conditions continue to support the market’s capacity to absorb large, high-grade municipal issuance.

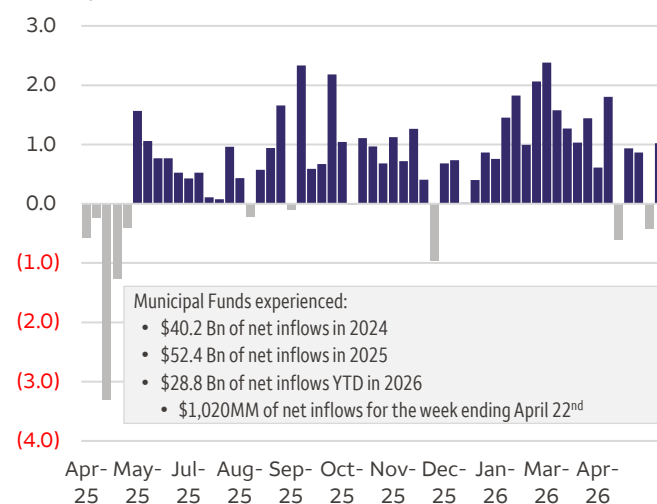
Historical 10Y UST and MMD Since January 2022²



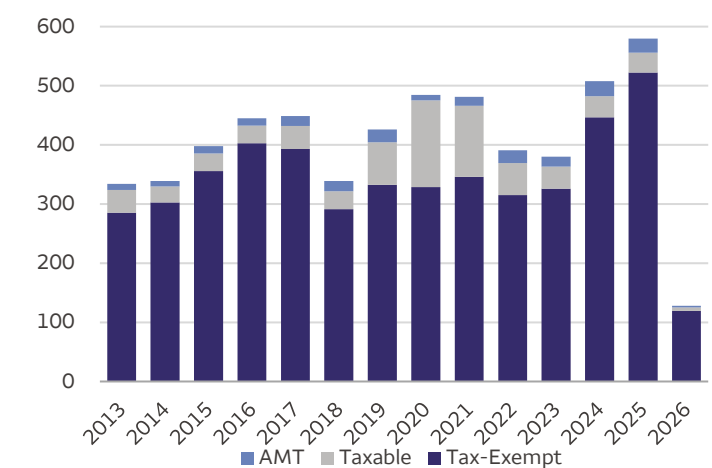
Wells Fargo Economist Interest Rate Projections³

	2026				2027
	Current	Q2	Q3	Q4	Q1
Fed Funds Rate	3.75%	3.75%	3.50%	3.25%	3.25%
5-Year UST	3.94%	3.70%	3.65%	3.70%	3.70%
10-Year UST	4.35%	4.20%	4.20%	4.25%	4.25%
30-Year UST	4.94%	4.80%	4.85%	4.90%	4.95%

Weekly Municipal Bond Fund Flows (\$Bn)⁴



Municipal Issuance (\$Bn)⁵



¹ Sources: Thomson Reuters TM3, Ipreo, Bloomberg, The Bond Buyer, The iMoneyNet – Money Fund Report, as of April 27, 2026.

² Sources: US Treasury, Thomson Reuters TM3, from September 2, 2020 to September 26, 2025.

³ Rates as of April 27, 2026. Forecast published by the Wells Fargo Economics Group, as of April 8, 2026.

⁴ Source: LSEG Lipper Global Fund Flows, as of April 22, 2026; Note: Only represents data for funds that report weekly.

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



1. Please provide a 30-year tax-exempt scale for the FHCF using the MMD at the close of business Monday, April 27th. 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 August 12, 2026 and term bond maturities in 2051 and 2056.

Florida Hurricane Catastrophe Fund Indicative Tax-Exempt Scale Market Rates as of COB April 27, 2026						
Maturity	I-MMD Index Rate	Spread (bps)	Coupon	Yield-to-Worst	Price (\$)	Yield-to-Maturity
7/1/2027	2.45%	+0.45	5.000%	2.900%	101.820	-
7/1/2028	2.37%	+0.48	5.000%	2.850%	103.917	-
7/1/2029	2.38%	+0.50	5.000%	2.880%	105.827	-
7/1/2030	2.46%	+0.52	5.000%	2.980%	107.357	-
7/1/2031	2.53%	+0.53	5.000%	3.060%	108.739	-
7/1/2032	2.62%	+0.55	5.000%	3.170%	109.752	-
7/1/2033	2.65%	+0.57	5.000%	3.220%	110.911	-
7/1/2034	2.73%	+0.59	5.000%	3.320%	111.568	-
7/1/2035	2.83%	+0.60	5.000%	3.430%	111.934	-
7/1/2036	2.95%	+0.63	5.000%	3.580%	111.731	-
7/1/2037	3.01%	+0.66	5.000%	3.670%	110.940	3.765%
7/1/2038	3.09%	+0.68	5.000%	3.770%	110.068	3.931%
7/1/2039	3.20%	+0.68	5.000%	3.880%	109.119	4.082%
7/1/2040	3.24%	+0.68	5.000%	3.920%	108.776	4.161%
7/1/2041	3.32%	+0.68	5.000%	4.000%	108.095	4.260%
7/1/2042	3.40%	+0.70	5.000%	4.100%	107.250	4.362%
7/1/2043	3.50%	+0.70	5.000%	4.200%	106.413	4.455%
7/1/2044	3.63%	+0.70	5.000%	4.330%	105.337	4.560%
7/1/2045	3.76%	+0.70	5.000%	4.460%	104.274	4.657%
7/1/2046	3.89%	+0.70	5.000%	4.590%	103.224	4.747%
7/1/2047	4.01%	-	-	-	-	-
7/1/2048	4.09%	-	-	-	-	-
7/1/2049	4.12%	-	-	-	-	-
7/1/2050	4.14%	-	-	-	-	-
7/1/2051	4.17%	+0.70	5.250%	4.870%	102.948	5.040%
7/1/2052	4.20%	-	-	-	-	-
7/1/2053	4.22%	-	-	-	-	-
7/1/2054	4.24%	-	-	-	-	-
7/1/2055	4.26%	-	-	-	-	-
7/1/2056	4.27%	+0.70	5.250%	4.970%	102.160	5.108%



2. Please provide a 30-year taxable scale using the Treasury curve at the close of business Monday, April 27th. 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 August 12, 2026.

Florida Hurricane Catastrophe Fund Indicative Taxable Scale Market Rates as of COB April 27, 2026						
Maturity	Benchmark UST Rate	Spread (bps)	Coupon	Yield	Price (\$)	Yield-to-Maturity
7/1/2027	3.912%	-	-	-	-	-
7/1/2028	3.912%	-	-	-	-	-
7/1/2029	3.931%	+0.70	4.631%	4.631%	100.000	-
7/1/2030	4.042%	-	-	-	-	-
7/1/2031	4.042%	+0.80	4.842%	4.842%	100.000	-
7/1/2032	4.220%	-	-	-	-	-
7/1/2033	4.220%	+0.80	5.020%	5.020%	100.000	-
7/1/2034	4.400%	-	-	-	-	-
7/1/2035	4.400%	-	-	-	-	-
7/1/2036	4.400%	+0.90	5.300%	5.300%	100.000	-
7/1/2037	4.400%	-	-	-	-	-
7/1/2038	4.400%	-	-	-	-	-
7/1/2039	4.400%	-	-	-	-	-
7/1/2040	4.400%	-	-	-	-	-
7/1/2041	4.400%	-	-	-	-	-
7/1/2042	4.989%	-	-	-	-	-
7/1/2043	4.989%	-	-	-	-	-
7/1/2044	4.989%	-	-	-	-	-
7/1/2045	4.989%	-	-	-	-	-
7/1/2046	4.989%	+1.00	5.989%	5.989%	100.000	-
7/1/2047	4.989%	-	-	-	-	-
7/1/2048	4.989%	-	-	-	-	-
7/1/2049	4.989%	-	-	-	-	-
7/1/2050	4.989%	-	-	-	-	-
7/1/2051	4.989%	-	-	-	-	-
7/1/2052	4.989%	-	-	-	-	-
7/1/2053	4.989%	-	-	-	-	-
7/1/2054	4.989%	-	-	-	-	-
7/1/2055	4.989%	-	-	-	-	-
7/1/2056	4.989%	+1.15	6.139%	6.139%	100.000	-



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

We estimate that FHCF could issue between \$10.0 and \$14.0 billion in combined tax-exempt and taxable bonds over a 24-month time horizon. The capacity estimates shown in the table below assume 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 April 27, 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 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 October 2025 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

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

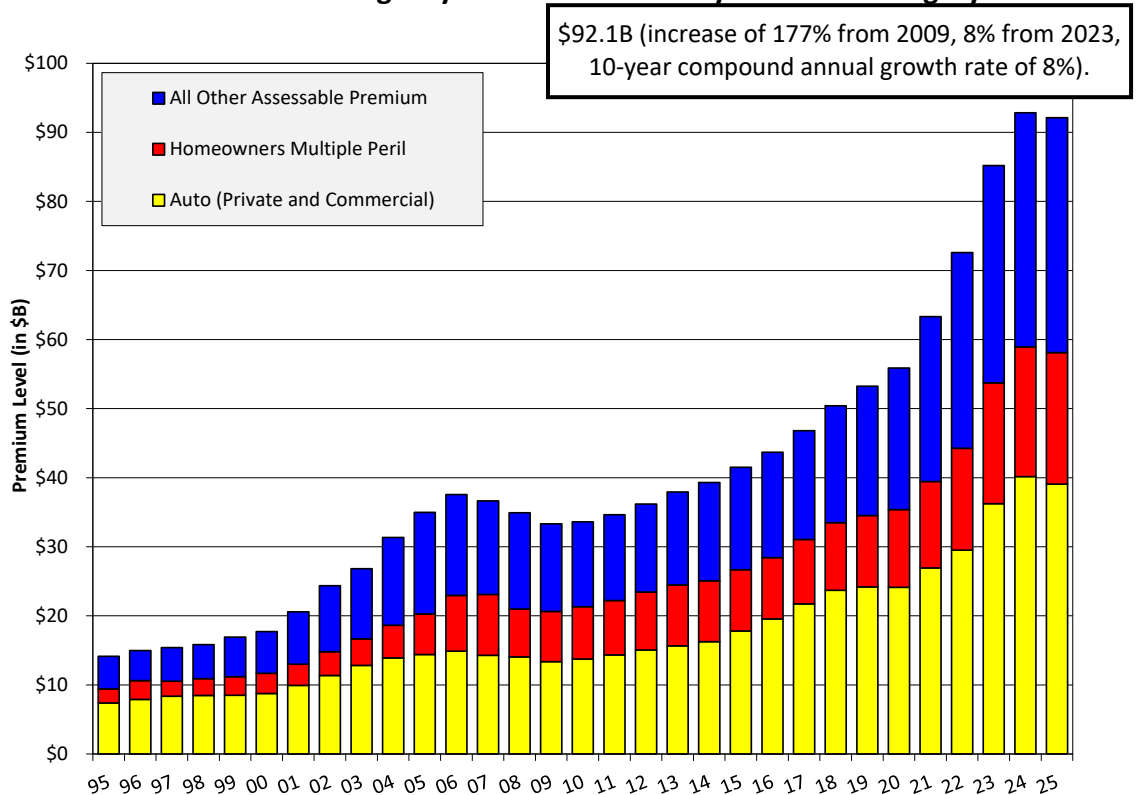


Appendix B – The FHCF’s Emergency Assessment Base

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

In numerical terms, this gives the FHCF an ability to assess against a base which, as of the end of 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 FHC 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 FHC 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%.



Florida Hurricane Catastrophe Fund

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)

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

Source: FLSO

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