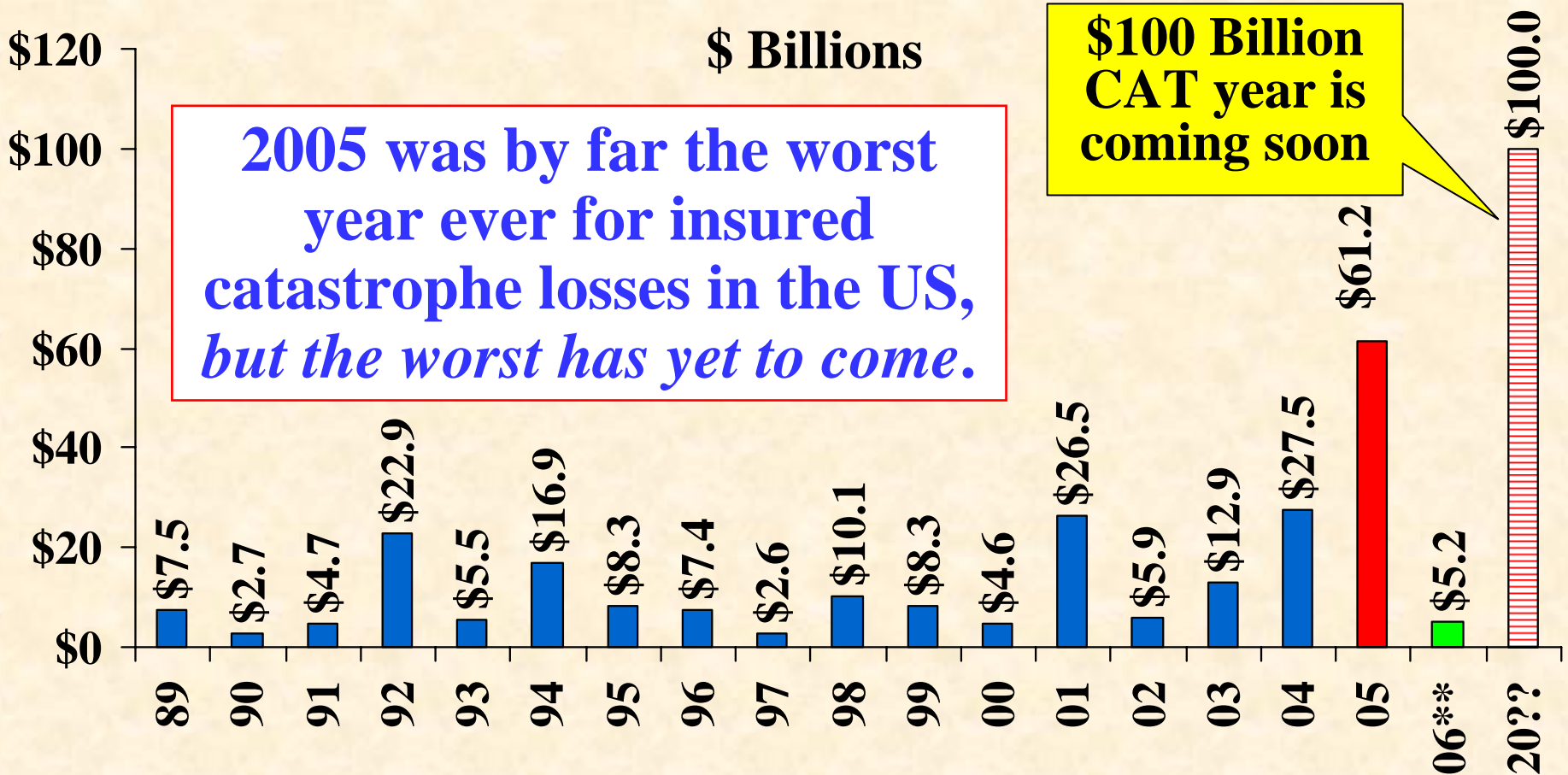


Review of Florida Hurricane Risk





U.S. Insured Catastrophe Losses (\$ Billions)*



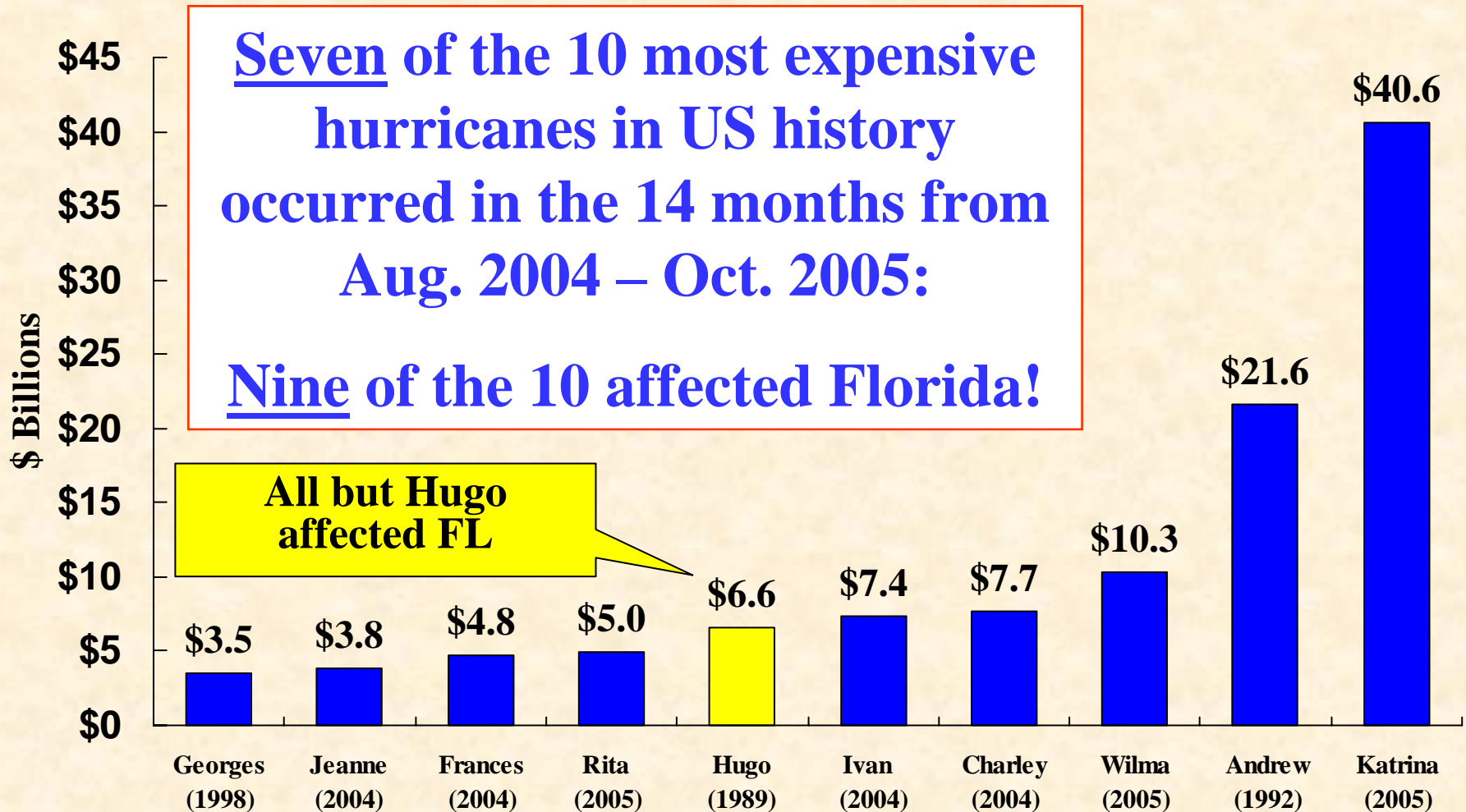
*Excludes \$4B-\$6b offshore energy losses from Hurricanes Katrina & Rita. ** As of June 30, 2006.

Note: 2001 figure includes \$20.3B for 9/11 losses reported through 12/31/01. Includes only business and personal property claims, business interruption and auto claims. Non-prop/BI losses = \$12.2B.

Source: Property Claims Service/ISO; Insurance Information Institute

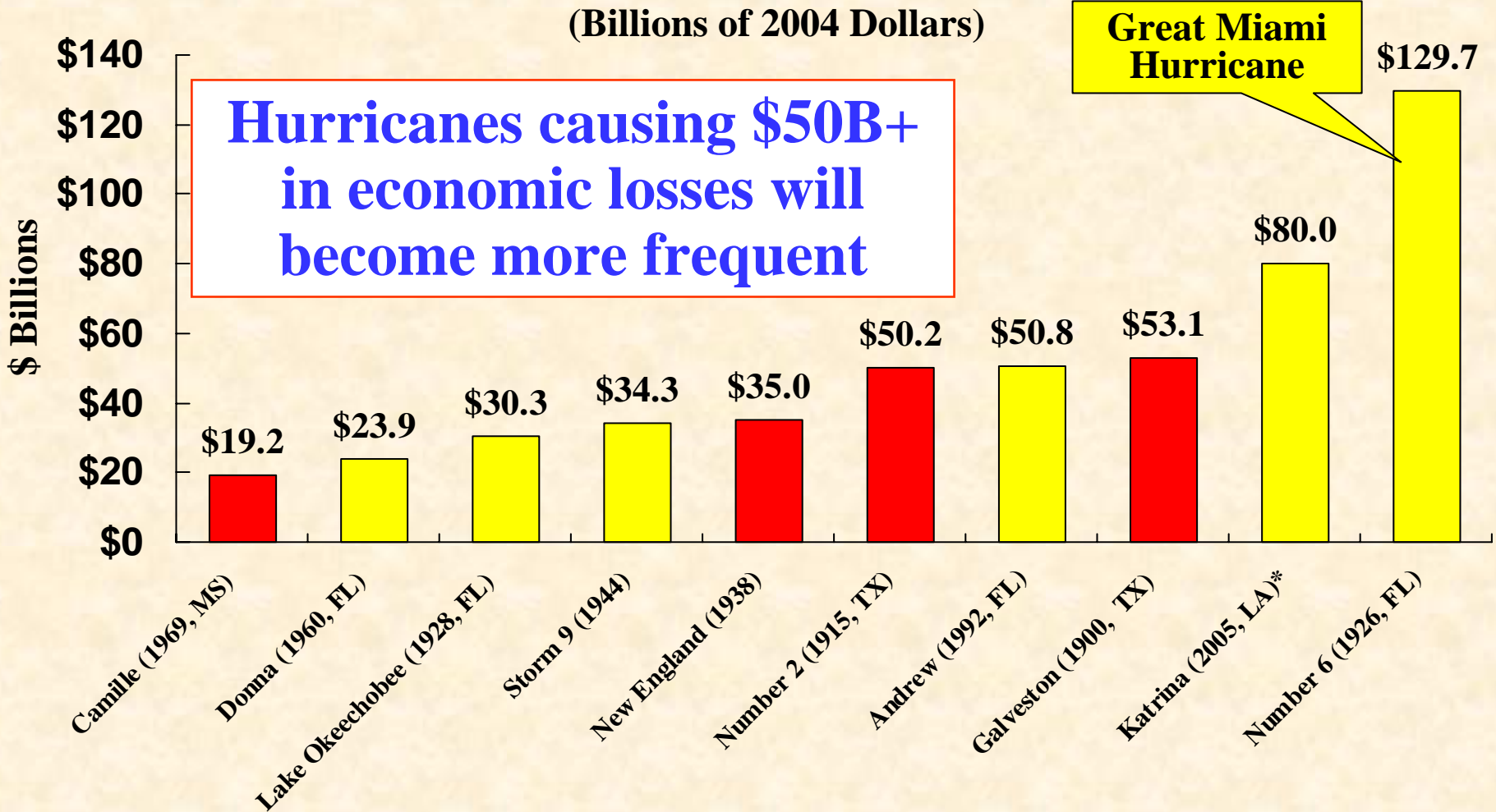


Top 10 Most Costly Hurricanes in US History, (Insured Losses, \$2005)





Hurricane Damage from Top 10 Hurricanes Since 1900 Adjusted for Inflation, Growth in Coastal Properties, Real Growth in Property Values*



*Includes damage from wind and storm surge but generally excludes inland flooding.

Source: Roger Pielke and Christopher Landsea, December 2005; Insurance Info. Institute.

Florida Hurricane Exposure Analysis:

How Bad Is It? (Bad)

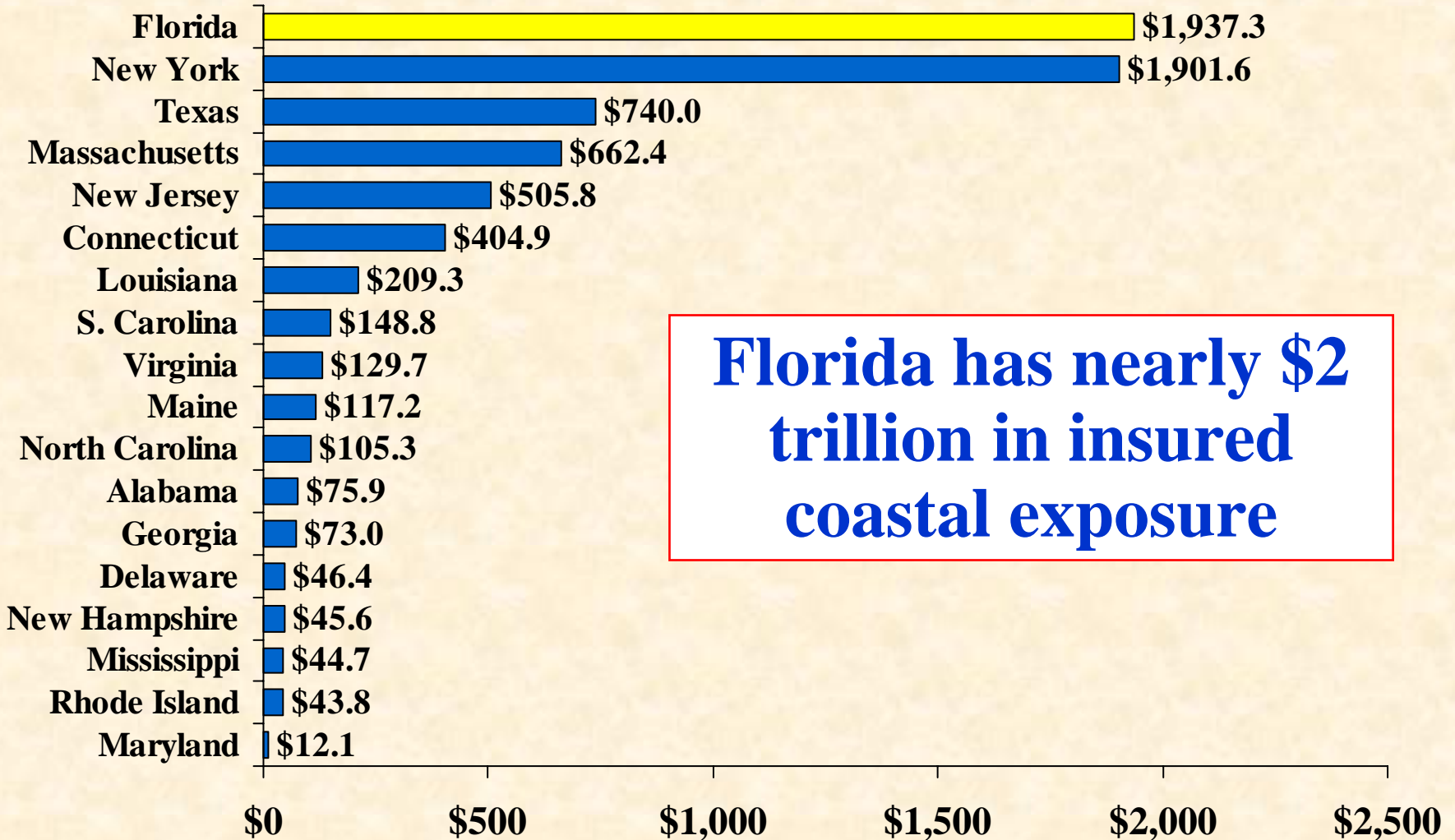
Could It Get Any Worse?

iii

(Yes)

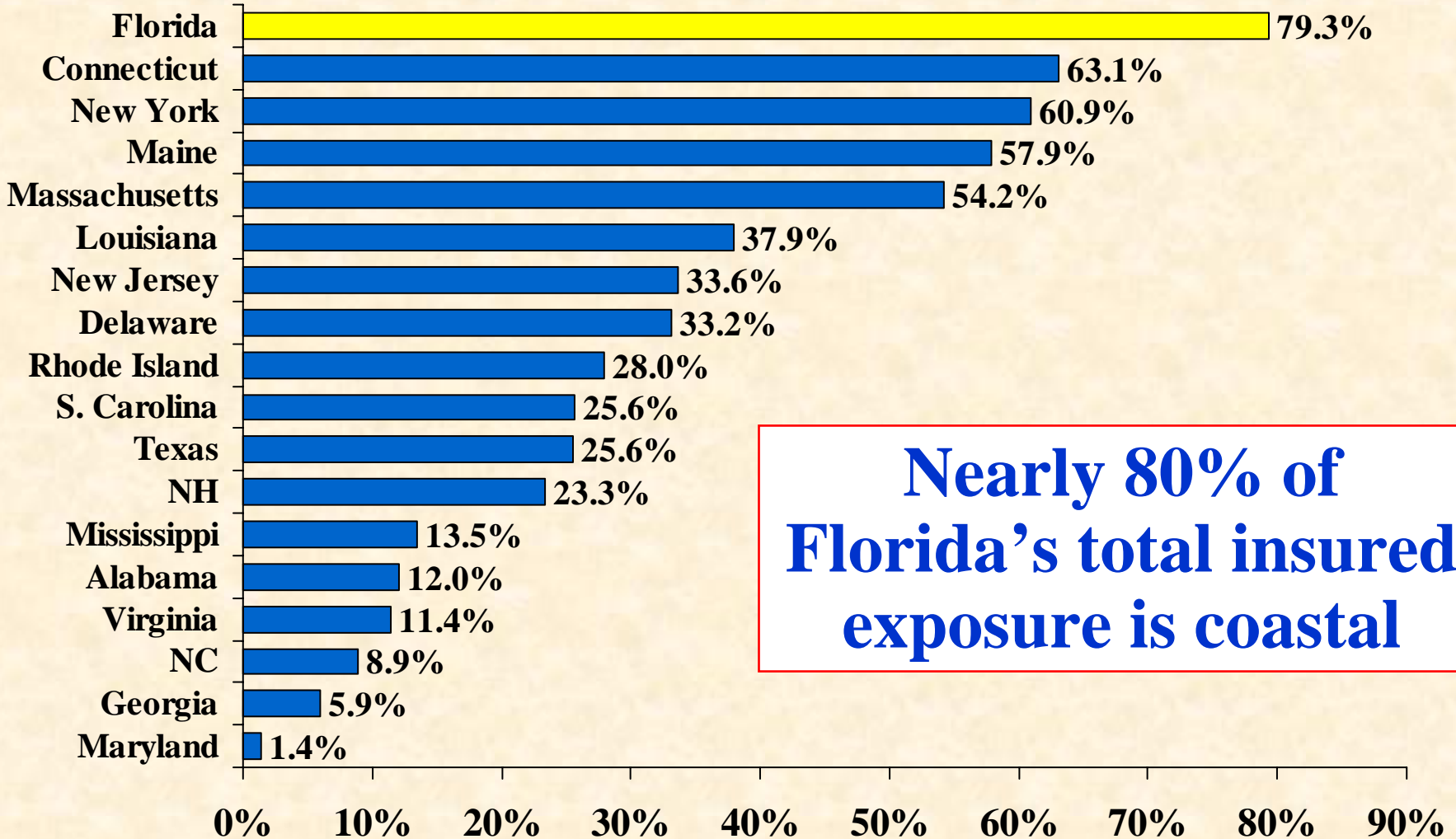


Total Value of Insured Coastal Exposure (2004, \$ Billions)





Insured Coastal Exposure as a % of Statewide Insured Exposure (2004, \$ Billions)

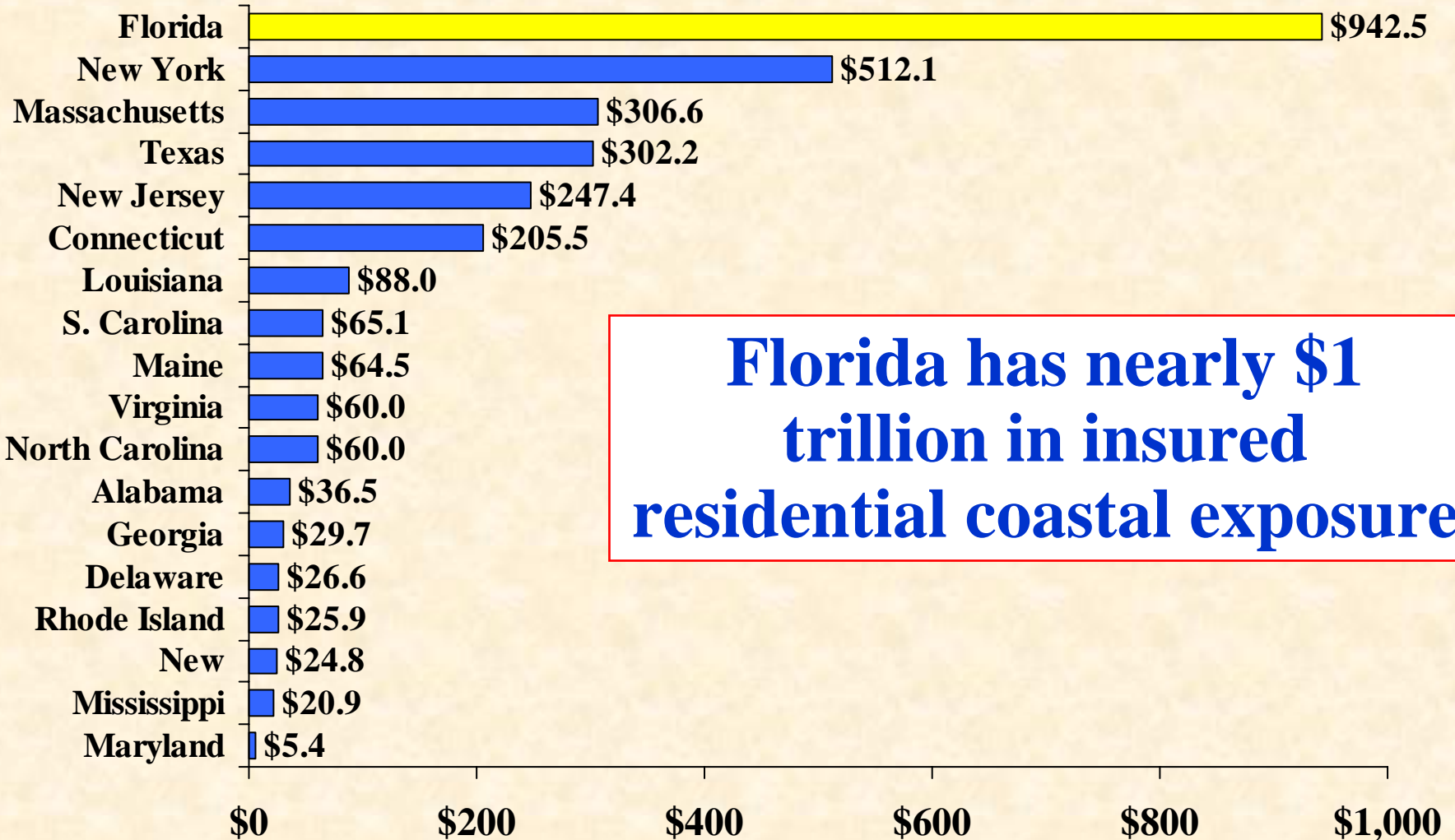


*Ill list

Source: AIR Worldwide

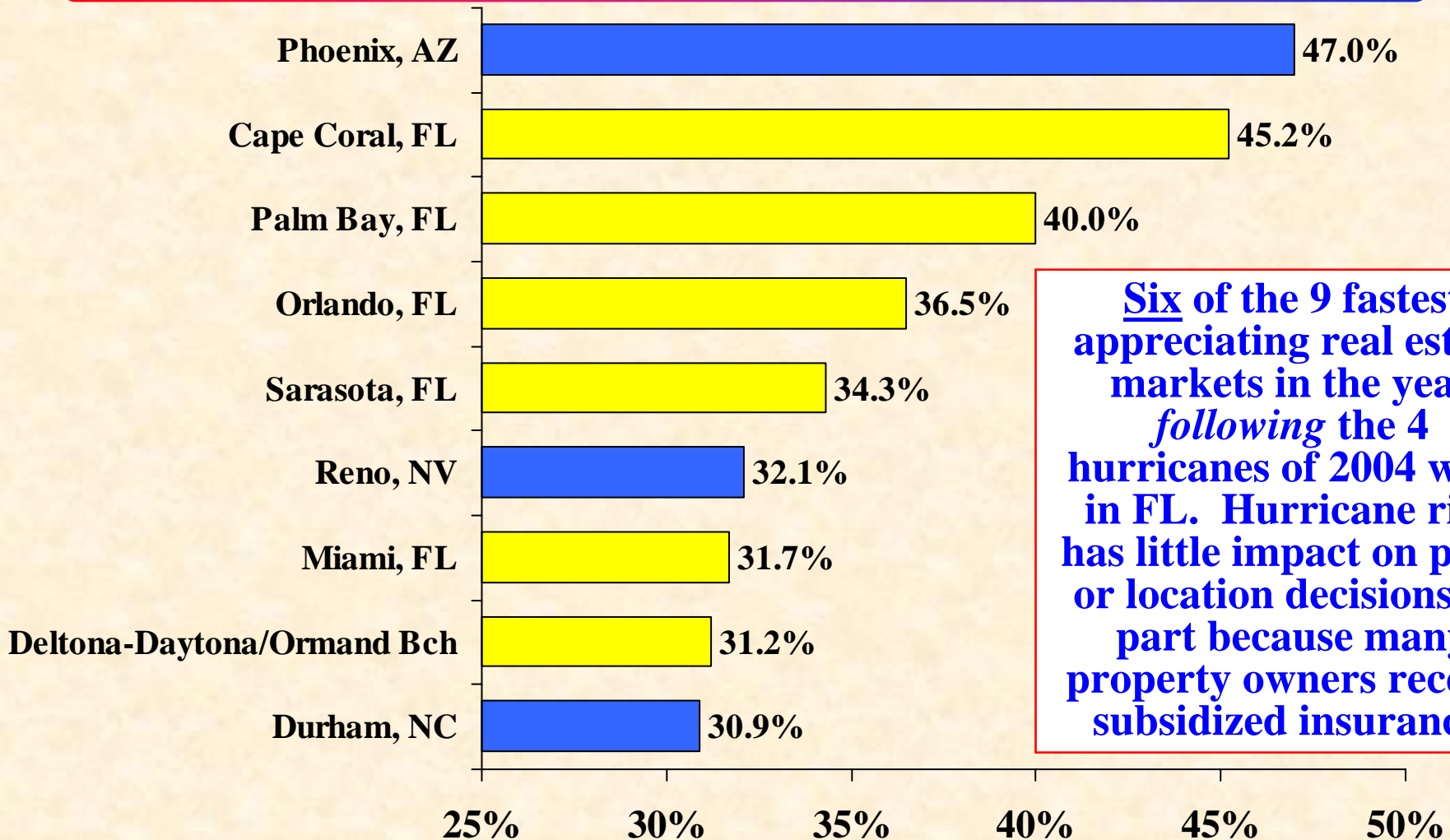


Value of Insured Residential Coastal Exposure (2004, \$ Billions)





Metro Areas w/ Biggest Increase in Median Home Price Over Past Year (through Sept. 2005)

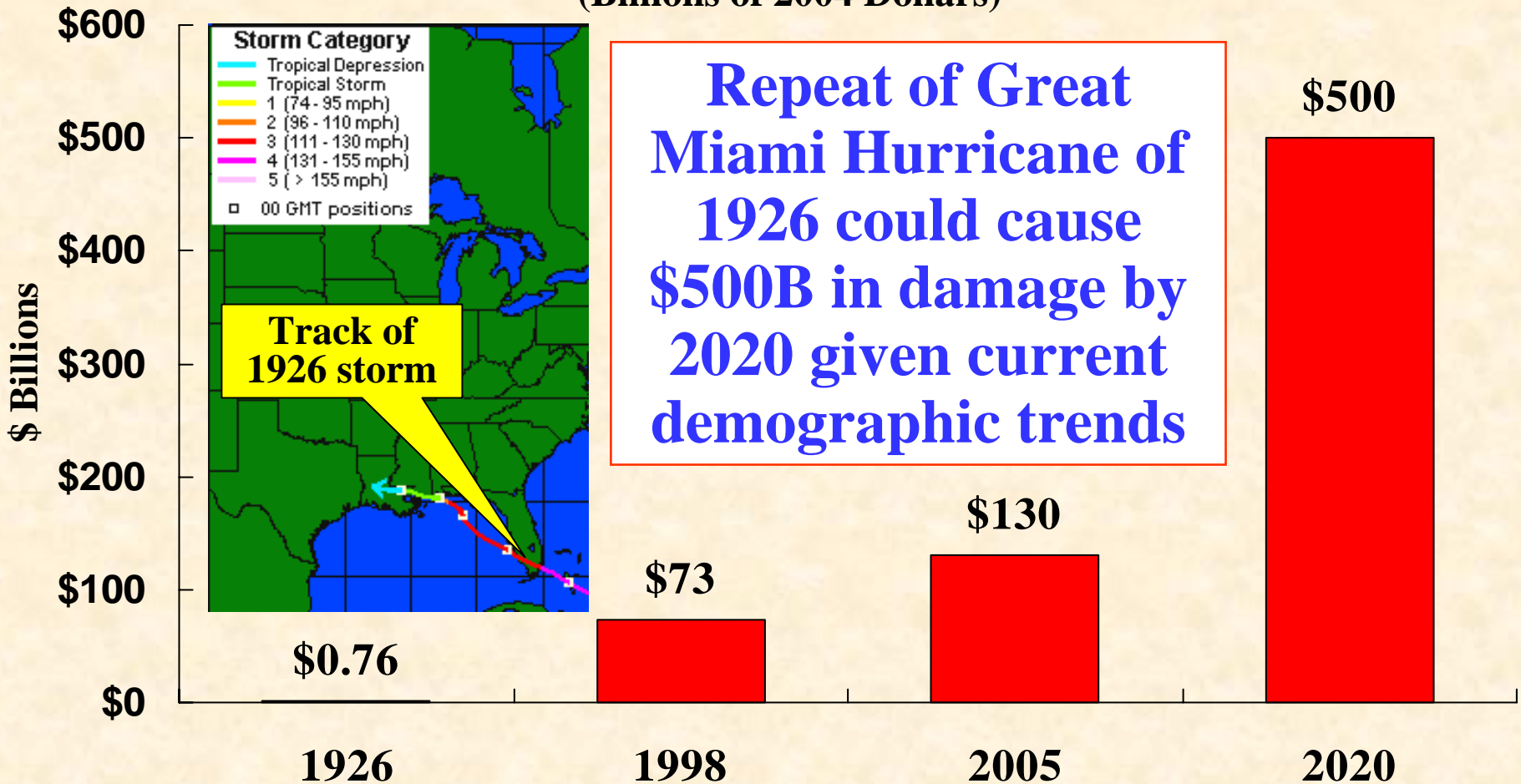


Six of the 9 fastest appreciating real estate markets in the year following the 4 hurricanes of 2004 were in FL. Hurricane risk has little impact on price or location decisions, in part because many property owners receive subsidized insurance.



Great Miami Hurricane of 1926: Hurricane Damage Adjusted for Inflation, Growth in Coastal Properties, Real Growth in Property Values*

(Billions of 2004 Dollars)



*Includes damage from wind and storm surge but generally excludes inland flooding.

Source: Roger Pielke and Christopher Landsea, December 2005; Insurance Info. Institute.

The Insurance Economics of Florida Hurricanes

Drivers of Private Insurer

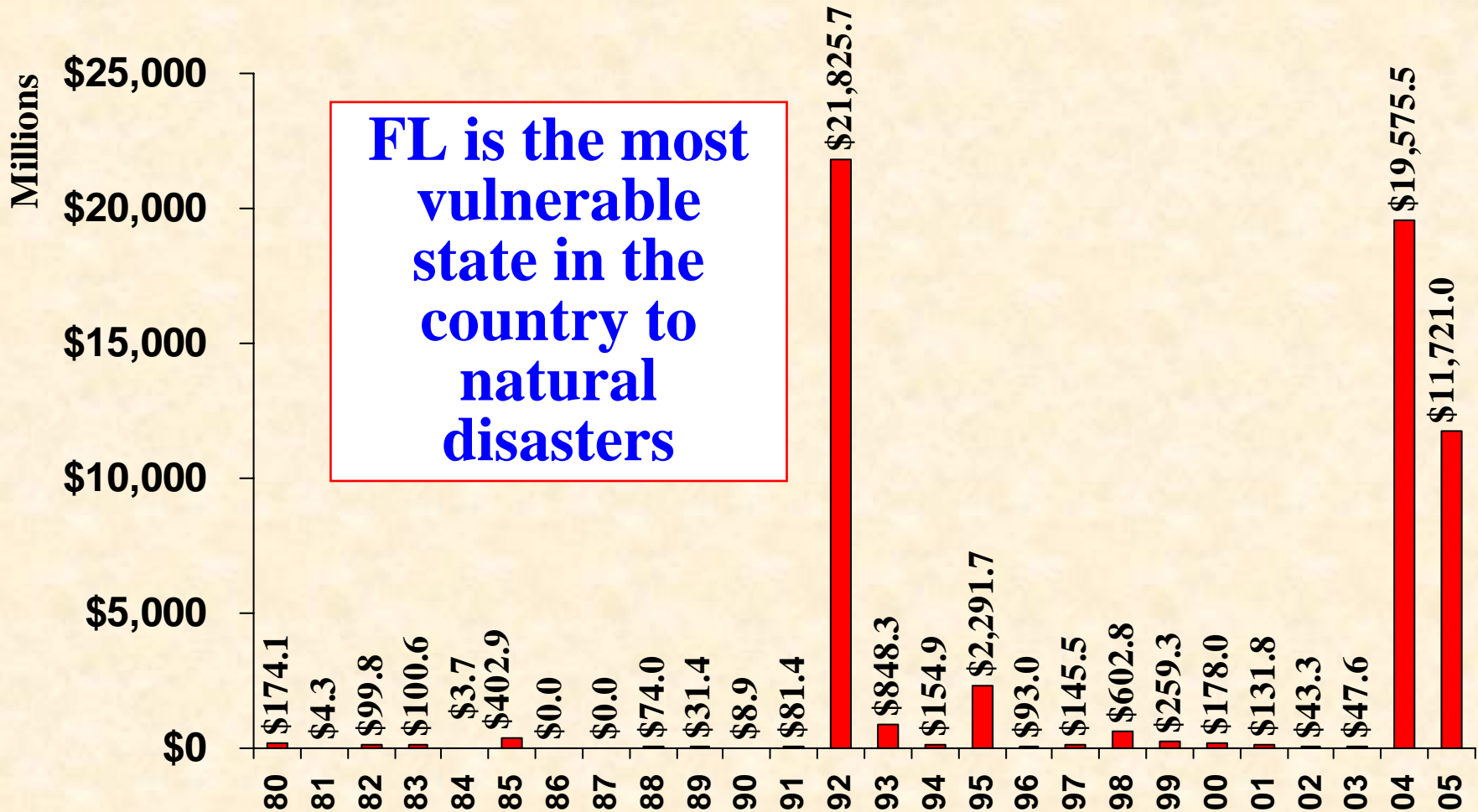


Behavior in Florida



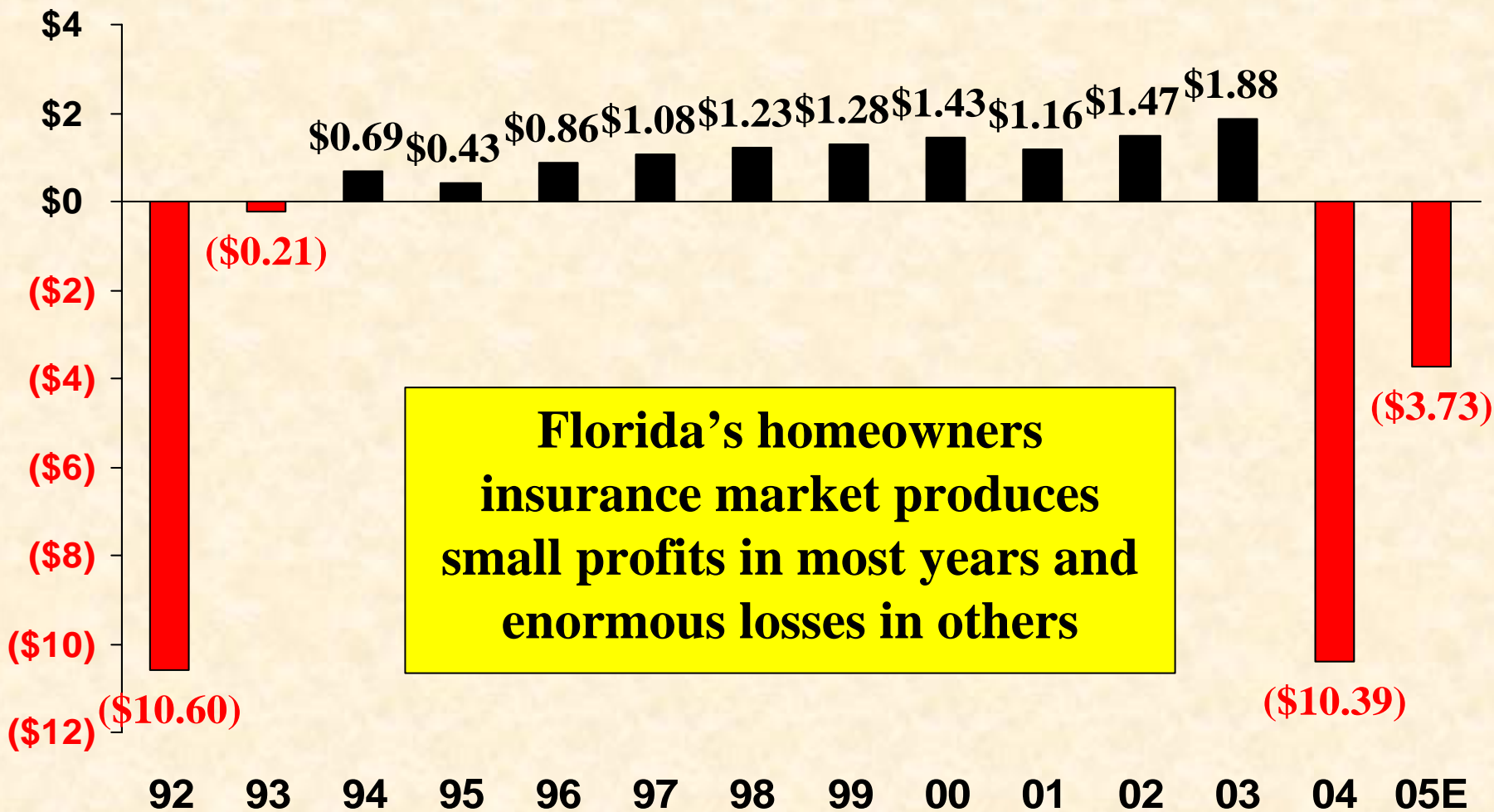


Insured Catastrophe Losses in Florida, 1980-2005





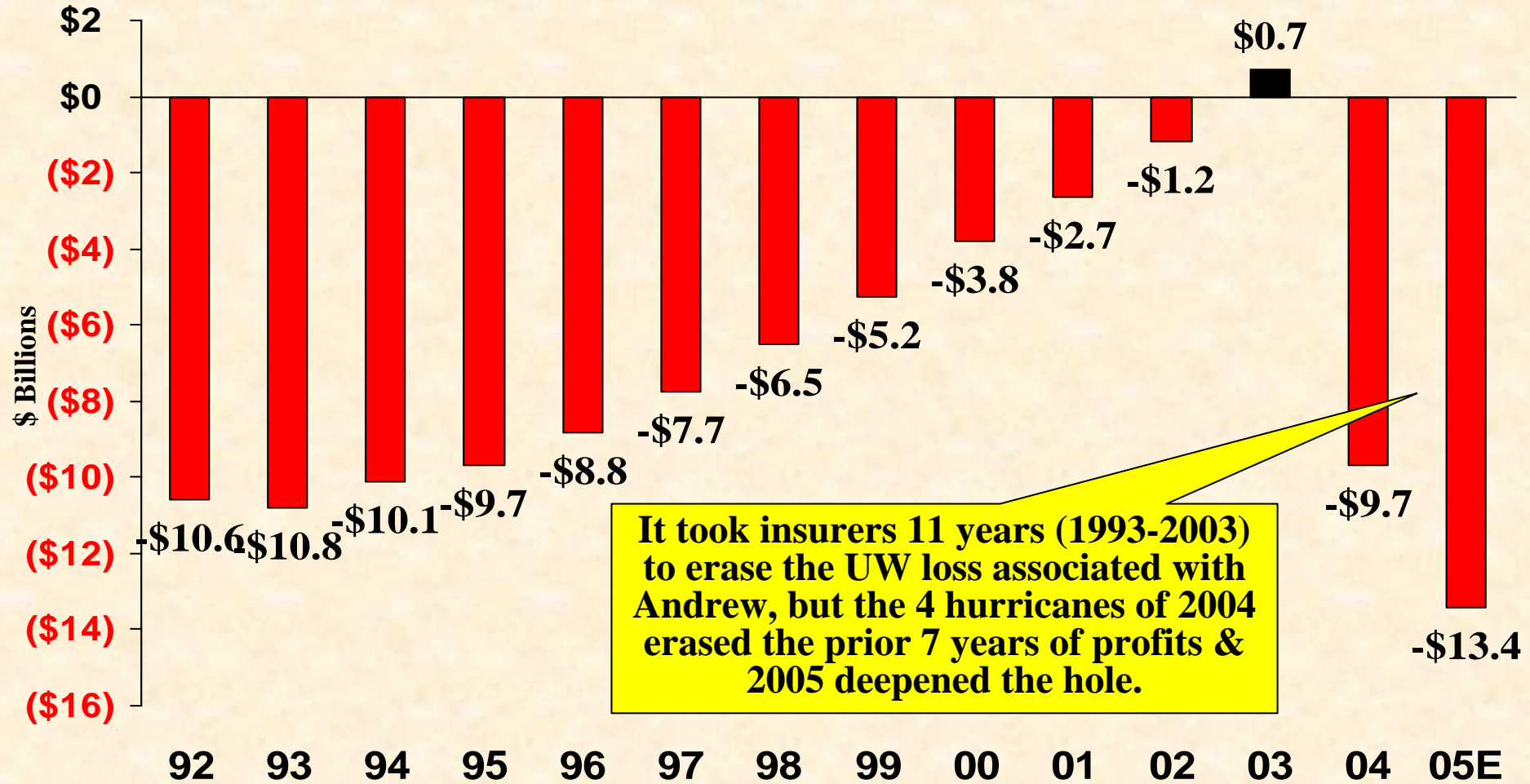
*Underwriting Gain (Loss) in Florida Homeowners Insurance, 1992-2005E**



*2005 estimate by Insurance Information Institute based on historical loss and expense data for FL adjusted for estimated 2005 residential windstorm losses of \$7.35B.



Cumulative Underwriting Gain (Loss) in Florida Homeowners Insurance, 1992-2005E*



It took insurers 11 years (1993-2003) to erase the UW loss associated with Andrew, but the 4 hurricanes of 2004 erased the prior 7 years of profits & 2005 deepened the hole.

*2005 estimate by Insurance Information Institute based on historical loss and expense data for FL adjusted for estimated 2005 residential windstorm losses of \$7.35B.

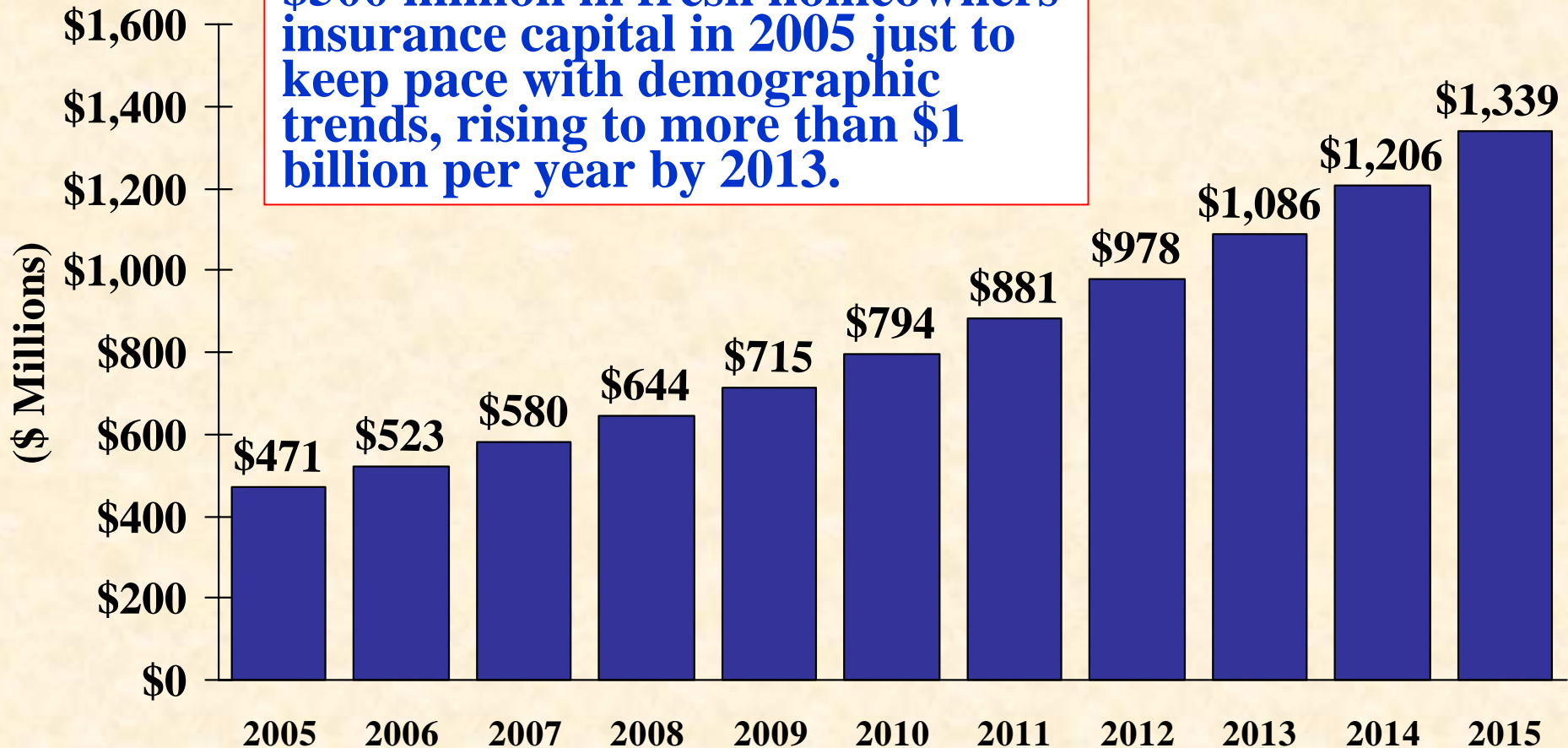
*Florida Needs to Attract Huge
Amounts of Capital to Support
Future Economic Growth*





*Estimated New Insurance Capital Required to Support Growth in FL Homeownership, 2005-2015**

Florida needs to attract about \$500 million in fresh homeowners insurance capital in 2005 just to keep pace with demographic trends, rising to more than \$1 billion per year by 2013.



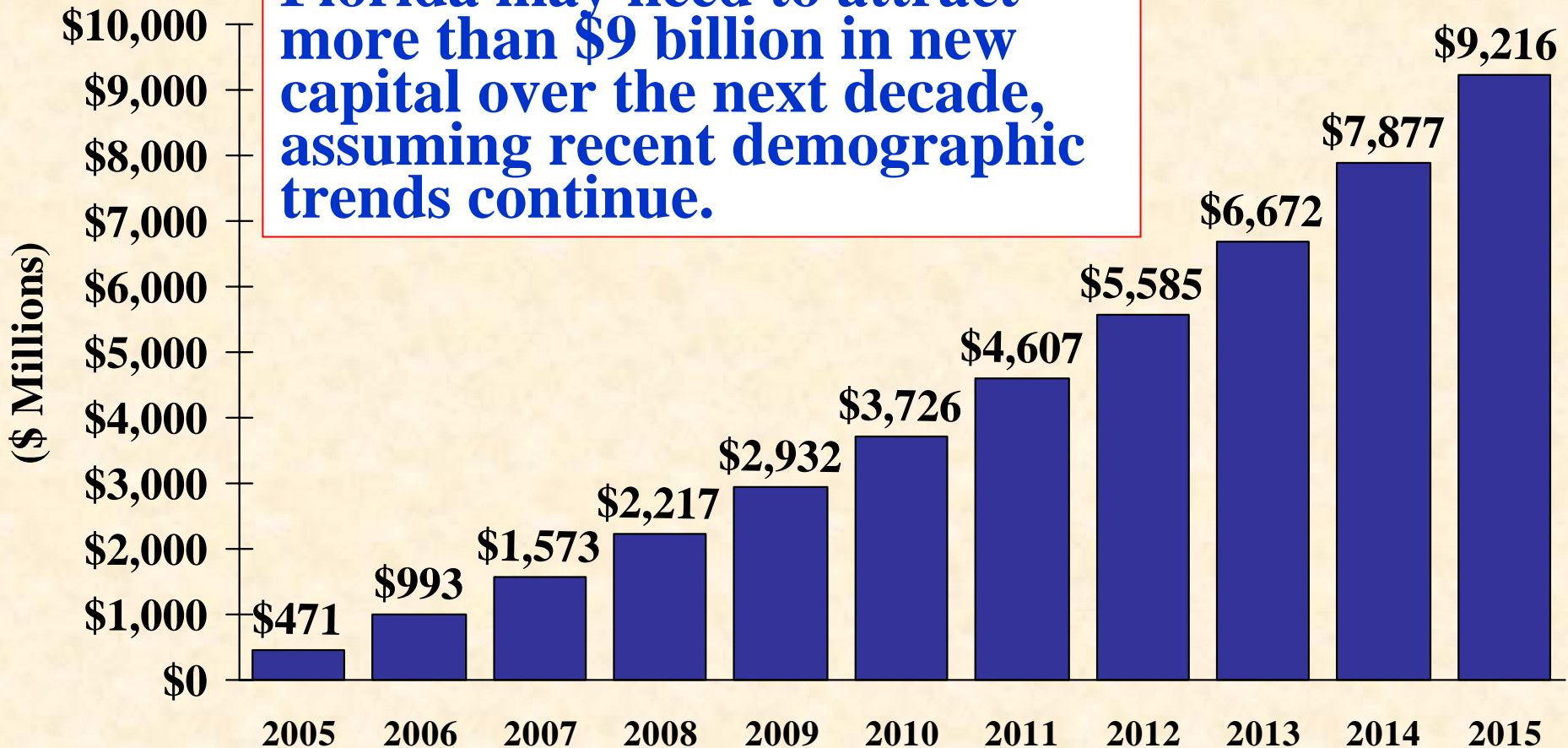
*Estimate assumes 1:1 premium-to-surplus ratio and continuation of CAGR in direct premiums written of 11% (actual rate for period 1996-2003).

Source: Insurance Information Institute



*Estimated Cumulative New Insurance Capital Required to Support Growth in FL Homeownership, 2005-2015**

Florida may need to attract more than \$9 billion in new capital over the next decade, assuming recent demographic trends continue.



*Estimate assumes 1:1 premium-to-surplus ratio and continuation of CAGR in direct premiums written of 11% (actual rate for period 1996-2003).

Source: Insurance Information Institute