

**FLORIDA COMMISSION ON HURRICANE
LOSS PROJECTION METHODOLOGY**

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May 12, 2004

Mr. Frank Lavelle
Applied Research Associates, Inc.
8540 Colonnade Center Drive
Suite 307
Raleigh, North Carolina 27615

Re: Florida Commission on Hurricane Loss Projection Methodology

Dear Mr. Lavelle:

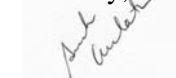
This will confirm the finding of the Florida Commission on Hurricane Loss Projection Methodology on May 12, 2004, that the Applied Research Associates, Inc. computer model has been determined acceptable for projecting hurricane loss costs for personal residential rate filings.

The Commission has determined that the HURLOSS 3.2 complies with the Standards adopted by the Commission on August 21 & 22, 2003 and concludes that the HURLOSS 3.2 is sufficiently accurate and reliable for projecting hurricane loss costs for residential property in Florida.

In accordance with the Commission's procedures, this determination of acceptability expires on February 28, 2005, unless the modeler has complied with the latest adopted procedures described in the "Process for the determination of acceptability of a computer simulation model" in order to maintain its acceptability.

On behalf of the Commission, I congratulate you and your colleagues. We appreciate your participation and input in this process.

Sincerely,



Sneh Gulati, Chair