

**FLORIDA COMMISSION ON HURRICANE  
LOSS PROJECTION METHODOLOGY**

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[www.sbafla.com/methodology](http://www.sbafla.com/methodology)

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Floyd Yager, FCAS  
Actuary,  
Florida Hurricane Catastrophe Fund Advisory Council

June 19, 2013

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Darmouth Street, 4<sup>th</sup> Floor  
Boston, MA 02116

Dear Ms. Andrews:

This will confirm the finding of the Florida Commission on Hurricane Loss Projection Methodology on June 19, 2013, that the AIR Worldwide Corporation computer model has been determined acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings. The determination of acceptability expires on September 1, 2015.

The Commission has determined that the Atlantic Tropical Cyclone Model V14.0.1 as implemented in CLASIC/2™ V14.1.0 and as implemented in CLASIC/2™ V15.0.0 complies with the standards adopted by the Commission on October 19 & 20, 2011 and November 16, 2011, and concludes that the Atlantic Tropical Cyclone Model V14.0.1 as implemented in CLASIC/2™ V14.1.0 and as implemented in CLASIC/2™ V15.0.0 is sufficiently accurate and reliable for projecting hurricane loss costs and probable maximum loss levels for residential property in Florida.

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

Sincerely,



Lorilee Medders, Chair

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September 24, 2013

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Darmouth Street, 4<sup>th</sup> Floor  
Boston, MA 02116-5134

Dear Ms. Andrews:

On September 11, 2013, AIR requested the Florida Commission on Hurricane Loss Projection Methodology consider the interim software update for CLASIC/2 version 15.0.1 containing the Atlantic Tropical Cyclone Model v14.0.1 acceptable under the 2011 Standards.

In accordance with the procedures for *Interim Software Updates after Model has been Determined to be Acceptable by the Commission* in the 2011 Report of Activities, as Chair, I have reviewed and assessed, with input from at least three Professional Team members, the regression test results provided for Form A-4 (Output Ranges), Form A-8 (Probable Maximum Loss for Florida), and Form S-5 (Average Annual Statewide Loss Costs – Historical versus Modeled) and have confirmed there were no changes to the modeled losses.

This will confirm that the AIR Worldwide Corporation computer model, Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v15.0.1 is acceptable under the 2011 Standards and functionally equivalent to the current acceptable model Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v14.1.0 and is acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings in Florida.

The determination of acceptability expires on September 1, 2015.

Sincerely,



Lorilee Medders, Chair

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September 24, 2013

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Darmouth Street, 4<sup>th</sup> Floor  
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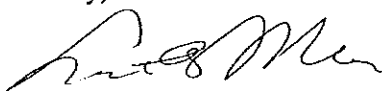
Dear Ms. Andrews:

On July 31, 2013, AIR requested the Florida Commission on Hurricane Loss Projection Methodology consider the new software platform, Touchstone, containing the Atlantic Tropical Cyclone Model v14.0.1 acceptable under the 2011 Standards.

This will confirm the finding of the Florida Commission on Hurricane Loss Projection Methodology on September 24, 2013, that the AIR Worldwide Corporation computer model, Atlantic Tropical Cyclone Model v14.0.1 as implemented in Touchstone 1.5.0 is acceptable under the 2011 Standards and functionally equivalent to Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v14.1.0 and is acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings in Florida.

The determination of acceptability expires on September 1, 2015.

Sincerely,



Lorilee Medders, Chair

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September 24, 2013

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Darmouth Street, 4<sup>th</sup> Floor  
Boston, MA 02116-5134

Dear Ms. Andrews:

On August 30, 2013, AIR requested the Florida Commission on Hurricane Loss Projection Methodology consider the interim software release of Touchstone 1.5.1, containing the Atlantic Tropical Cyclone Model v14.0.1 acceptable under the 2011 Standards.

This will confirm the finding of the Florida Commission on Hurricane Loss Projection Methodology on September 24, 2013, that the AIR Worldwide Corporation computer model, Atlantic Tropical Cyclone Model v14.0.1 as implemented in Touchstone 1.5.1 is acceptable under the 2011 Standards and functionally equivalent to Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v14.1.0 and is acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings in Florida.

The determination of acceptability expires on September 1, 2015.

Sincerely,



Lorilee Medders, Chair

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Vacant  
Professional Structural Engineer

December 17, 2013

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Dartmouth Street, 4<sup>th</sup> Floor  
Boston, MA 02116-5134

Dear Ms. Andrews:

On November 27, 2013, AIR requested the Florida Commission on Hurricane Loss Projection Methodology consider the interim software update for Touchstone 1.5.2 containing the AIR Atlantic Tropical Cyclone Model v14.0.1 acceptable under the 2011 Standards.

In accordance with the procedures for *Interim Software Updates after Model has been Determined to be Acceptable by the Commission* in the 2011 Report of Activities, as Chair, I have reviewed and assessed, with input from at least three Professional Team members, the regression test results provided for Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code), Form A-4 (Output Ranges), Form A-8 (Probable Maximum Loss for Florida), and Form S-5 (Average Annual Statewide Loss Costs – Historical versus Modeled) and have confirmed there were no changes to the modeled losses.

This will confirm that the AIR Worldwide Corporation computer model, Atlantic Tropical Cyclone Model v14.0.1 as implemented in Touchstone 1.5.2 is acceptable under the 2011 Standards and functionally equivalent to the current acceptable model Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v14.1.0 and is acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings in Florida.

The determination of acceptability expires on September 1, 2015.

Sincerely,



Lorilee Medders, Chair

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Vacant  
Professional Structural Engineer

April 14, 2014

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Dartmouth Street, 4<sup>th</sup> Floor  
Boston, MA 02116-5134

Dear Ms. Andrews:


On March 28, 2014, AIR requested the Florida Commission on Hurricane Loss Projection Methodology consider the interim software updates for Touchstone v1.5.3 and CLASIC/2 v15.0.5 containing the AIR Atlantic Tropical Cyclone Model v14.0.1 acceptable under the 2011 Standards.

In accordance with the procedures for *Interim Software Updates after Model has been Determined to be Acceptable by the Commission* in the 2011 Report of Activities, as Chair, I have reviewed and assessed, with input from at least three Professional Team members, the regression test results provided for Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code), Form A-4 (Output Ranges), Form A-8 (Probable Maximum Loss for Florida), and Form S-5 (Average Annual Statewide Loss Costs – Historical versus Modeled) and have confirmed there were no changes to the modeled losses.

This will confirm that the AIR Worldwide Corporation computer model, Atlantic Tropical Cyclone Model v14.0.1 as implemented in Touchstone v1.5.3 and CLASIC/2 v15.0.5 is acceptable under the 2011 Standards and functionally equivalent to the current acceptable model Atlantic Tropical Cyclone Model v14.0.1 as implemented in CLASIC/2 v14.1.0 and is acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings in Florida.

The determination of acceptability expires on September 1, 2015.

Sincerely,

  
Lorilee Medders, Chair

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February 18, 2015

Ms. Brandie Andrews  
AIR Worldwide Corporation  
131 Dartmouth Street  
Boston, MA 02116-7603


Dear Ms. Andrews:

On January 21, 2015, AIR notified the Florida Commission on Hurricane Loss Projection Methodology (Commission) of an issue discovered in Touchstone Version 1.5.3 in which the AIR Atlantic Tropical Cyclone Model version 14.0.1 was implemented. On February 9, 2015, the Commission requested additional documentation in accordance with the Acceptability Process in the 2013 Report of Activities. AIR subsequently provided the requested documentation and identified the differences as Type I.

As Chair, I have reviewed and assessed, with input from at least three Professional Team members, the submitted Forms A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code), A-4 (Output Ranges), A-8 (Probable Maximum Loss for Florida), and S-5 (Average Annual Zero Deductible Statewide Loss Costs – Historical versus Modeled), and conclude that there is no impact on the relevant forms and a change in the model version identification is not required.

This will confirm that the AIR Atlantic Tropical Cyclone Model Version 14.0.1 as implemented in Touchstone 1.5.3 remains acceptable under the 2011 Standards. The determination of acceptability expires on September 1, 2015.

Sincerely,



Lori Medders, Chair