

**FLORIDA COMMISSION ON HURRICANE
LOSS PROJECTION METHODOLOGY**

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December 13, 2016


Dr. Frank Lavelle
Applied Research Associates, Inc.
8537 Six Forks Road
Raleigh, North Carolina 27615

Dear Dr. Lavelle,

The Florida Commission on Hurricane Loss Projection Methodology (Commission) has completed its investigation and review of the Type III differences discovered in the HurLoss Florida Model Version 7.0.a and the revisions made in the HurLoss Florida Model Version 7.0.b. This will confirm the finding of the Commission on December 13, 2016, that the Applied Research Associates, Inc. HurLoss Florida Model Version 7.0.b has been determined acceptable for projecting hurricane loss costs and probable maximum loss levels for residential rate filings. The determination of acceptability for HurLoss Florida Model Version 7.0.b supersedes the previously accepted and suspended HurLoss Florida Model Version 7.0.a and expires on November 1, 2017.

The Commission has determined that the HurLoss Florida Model Version 7.0.b limited to the options selected in the input form provided in Standard A-1 (Modeling Input Data), Disclosure 5 complies with the standards adopted by the Commission on September 24 & 25, 2013, and concludes that the HurLoss Florida Model Version 7.0.b limited to the Florida hurricane model options selected (Standard A-1 (Modeling Input Data), Disclosure 5) is sufficiently accurate and reliable for projecting hurricane loss costs and probable maximum loss levels for residential property in Florida.

Sincerely,



Lorilee Medders, Chair