

**FLORIDA COMMISSION ON HURRICANE  
LOSS PROJECTION METHODOLOGY**

Post Office Box 13300  
32317-3300  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308  
(850) 413-1349  
[www.sbafla.com/methodology](http://www.sbafla.com/methodology)

Anne Bert  
Chief Operating Officer,  
Florida Hurricane Catastrophe Fund

Lorilee Medders, Ph.D., Chair  
Statistics Expert,  
Florida State University

Robert Lee, FCAS  
Actuary,  
Florida Office of Insurance Regulation

Patricia Born, Ph.D.  
Insurance Finance Expert,  
Florida State University

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

Minchong Mao, FCAS, ASA, MAAA  
Actuary,  
Property and Casualty Industry

Barry Gilway  
President/CEO & Executive Director,  
Citizens Property Insurance Corporation

Jainendra Navlakha, Ph.D.  
Computer Systems Design Expert,  
Florida International University

Sha'Ron James  
Insurance Consumer Advocate,  
Florida Department of Financial Services

Hugh Willoughby, Ph.D.  
Meteorology Expert,  
Florida International University

Bryan Koon  
Director,  
Florida Division of Emergency Management

Vacant  
Professional Structural Engineer

May 12, 2017

Ms. Kay Cleary  
Risk Management Solutions, Inc.  
7575 Gateway Boulevard  
Newark, California 94560

Dear Ms. Cleary:

This will confirm the finding of the Florida Commission on Hurricane Loss Projection Methodology on May 12, 2017, that the Risk Management Solutions, Inc. 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 November 1, 2019.

The Commission has determined that the North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) limited to the options selected in the input form provided in Standard A-1, Modeling Input Data and Output Reports, Disclosure 4 complies with the standards adopted by the Commission on October 13 & 14, 2015, and concludes that the North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) limited to the Florida hurricane model options selected (Standard A-1, Modeling Input Data and Output Reports, Disclosure 4) 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,



Lori Medders, Chair

# FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

Post Office Box 13300  
32317-3300  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308  
(850) 413-1349  
[www.sbafla.com/methodology](http://www.sbafla.com/methodology)

Anne Bert  
Chief Operating Officer,  
Florida Hurricane Catastrophe Fund

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

Wes Maul, J.D.  
Interim Director,  
Florida Division of Emergency Management

Barry Gilway  
President/CEO & Executive Director,  
Citizens Property Insurance Corporation

Patricia Schriefer, Ph.D., Vice Chair  
Insurance Finance Expert,  
Florida State University

Jainendra Navlakha, Ph.D.  
Computer Systems Design Expert,  
Florida International University

Sha`Ron James, J.D., MPA, SCPM  
Insurance Consumer Advocate,  
Florida Department of Financial Services

Steve Paris, Ph.D., ASA  
Statistics Expert,  
Florida State University

Robert Lee, FCAS  
Actuary,  
Florida Office of Insurance Regulation

Hugh Willoughby, Ph.D.  
Meteorology Expert,  
Florida International University

Minchong Mao, FCAS, ASA, MAAA  
Actuary,  
Property and Casualty Industry

Vacant  
Professional Structural Engineer

January 9, 2018

Mr. Tom Sabbatelli  
Risk Management Solutions, Inc.  
7575 Gateway Boulevard  
Newark, California 94560

Dear Mr. Sabbatelli:

On August 15, 2017, RMS notified the Florida Commission on Hurricane Loss Projection Methodology (Commission) of updated model RiskLink 17.0.1 (Build 1825) and identified the model update for the “Bermuda-style roof” option as constituting a Type I error.

As Chair, I reviewed and assessed, with input from three Professional Team members, the submitted Forms 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 Zero Deductible Statewide Loss Costs – Historical versus Modeled), and requested additional information on the four items identified as the model updates in RiskLink 17.0.1 (Build 1825).

On November 22, 2017, RMS provided the additional information requested, and on December 21, 2017, RMS provided an addendum to the previous RiskLink 17.0 (Build 1825) model submission and requested the Commission consider the functional equivalence of RiskLink 17.0.1 (Build 1825) to the currently-accepted model RiskLink 17.0 (Build 1825).

Mr. Tom Sabbatelli  
Risk Management Solutions, Inc.  
January 9, 2018  
Page Two

In accordance with the procedures for *Interim Model Updates after a Model has been Determined to be Acceptable by the Commission* in the 2017 Report of Activities, as Chair, I have reviewed and assessed, with input from three Professional Team members, all documentation and the regression test results submitted and have confirmed that the interim model updates/revisions do not produce significant differences in loss costs and probable maximum loss levels from the currently-accepted model RiskLink 17.0 (Build 1825).

This will confirm that the Risk Management Solutions, Inc. North Atlantic Hurricane Models RiskLink 17.0.1 (Build 1825) is functionally equivalent to the currently-accepted North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) 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 November 1, 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Floyd Yager", written in a cursive style.

Floyd Yager, Chair  
Florida Commission on Hurricane Loss Projection Methodology

# FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

Post Office Box 13300  
32317-3300  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308  
(850) 413-1349  
[www.sbafla.com/methodogy](http://www.sbafla.com/methodogy)

Anne Bert  
Chief Operating Officer,  
Florida Hurricane Catastrophe Fund

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

Wes Maul, J.D.  
Interim Director,  
Florida Division of Emergency Management

Barry Gilway  
President/CEO & Executive Director,  
Citizens Property Insurance Corporation

Patricia Schriefer, Ph.D., Vice Chair  
Insurance Finance Expert,  
Florida State University

Jainendra Navlakha, Ph.D.  
Computer Systems Design Expert,  
Florida International University

Sha`Ron James, J.D., MPA, SCPM  
Insurance Consumer Advocate,  
Florida Department of Financial Services

Steve Paris, Ph.D., ASA  
Statistics Expert,  
Florida State University

Robert Lee, FCAS  
Actuary,  
Florida Office of Insurance Regulation

Hugh Willoughby, Ph.D.  
Meteorology Expert,  
Florida International University

Vacant  
Actuary, Property and Casualty Industry

Vacant  
Professional Structural Engineer

October 18, 2018

Mr. Jeff Waters  
Senior Product Manager  
Model Product Management  
Risk Management Solutions, Inc.  
7575 Gateway Boulevard  
Newark, California 94560

Dear Mr. Waters:

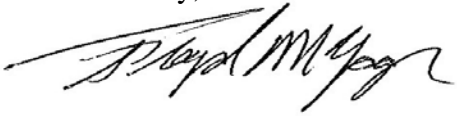
On October 8, 2018, RMS requested the Florida Commission on Hurricane Loss Projection Methodology consider the updated/revised version of the model software in RMS North Atlantic Hurricane Models, RiskLink 18.0, Build 1930 functionally equivalent to the current acceptable North Atlantic Hurricane Models, RiskLink 17.0, Build 1825 under the 2015 standards.

In accordance with the procedures for Interim Model Updates after a Model has been Determined to be Acceptable by the Commission in the 2017 Report of Activities, as Chair, I have reviewed and assessed, with input from four Professional Team members, all documentation and the regression test results submitted and have confirmed that the model updates do not produce significant differences in hurricane loss costs and hurricane probable maximum loss levels from the currently-accepted North Atlantic Hurricane Models, RiskLink 17.0, Build 1825.

Mr. Jeff Waters  
Risk Management Solutions Inc.  
October 18, 2018  
Page Two

This will confirm that the RMS North Atlantic Hurricane Models, RiskLink 18.0, Build 1930 is functionally equivalent to the currently-accepted RMS North Atlantic Hurricane Models, RiskLink 17.0, Build 1825 and is acceptable for projecting hurricane loss costs and hurricane probable maximum loss levels for residential rate filings in Florida. The determination of acceptability expires on November 1, 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Floyd Yager", written in a cursive style.

Floyd Yager, Chair  
Florida Commission on Hurricane Loss Projection Methodology