

Meeting Summary¹
Florida Commission on Hurricane Loss Projection Methodology
May 10 & 11, 2001

1. Commission recognized new member Kay Cleary, DOI Actuary and Dr. Sneh Gulati as Chair for 2001/2002. Dr. Gulati was appointed Chair by the SBA Trustees at the April 24, 2001 Cabinet meeting.
2. Reviewed Committee assignments for revising and developing 2001 standards. It was noted that the Professional Team members typically participate in all committee meetings.
3. Ming Lee, Applied Insurance Research (AIR) discussed AIR's question involving a change to their software package changing the software version number, but no change is made to the model and the model version number, and there is no effect on loss costs in Florida. The Commission responded that the Modeler would need to submit to the Commission verification stating the software changed, but no change was made to the model.
4. Ming Lee, AIR, explained the request to amend their July 2000 submission under the 1999 Standards stating that an analyst inadvertently picked up the wrong centroid and that the overall change was less than a 1% difference in loss costs. The Commission reaffirmed that AIR did meet standard 5.4.17 under the 1999 Standards.
5. Review of EQECAT – Model USWIND[®] 5.4
 - A. The Commission began their review with the standards that had no change. The Commission found acceptable those standards with no changes (5.2.1, 5.2.2, 5.2.8, 5.3.4, 5.4.5, 5.4.6, 5.4.8, 5.4.9, 5.4.10, 5.4.11, and 5.4.16). The Commission found acceptable the standards with “not significant” changes voting by section (5.1.1, 5.1.3, 5.1.6, 5.2.5, 5.2.7, 5.2.9, 5.3.1, 5.3.2, 5.3.3, 5.3.5, 5.3.6, 5.4.2, 5.4.3, 5.4.14, 5.4.15, and 5.5.8). The Commission reviewed the standards with signification changes individually and all were found acceptable (5.1.2, 5.1.4, 5.1.5, 5.1.7, 5.1.8, 5.2.3, 5.2.4, 5.2.6, 5.3.7, 5.4.1, 5.4.4, 5.4.7, 5.4.12, 5.4.13, 5.5.1, 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, 5.5.7, 5.6.1, 5.6.2, 5.6.3, and 5.6.4).
 - B. The USWIND[®] 5.4 model was found acceptable by the Commission.
6. Dr. Gulati recognized Risk Management Solutions (RMS) request for an additional 30 days to respond to an issue raised by the Professional Team during their on-site review on May 3, 2001. The RMS Model RISKLINK Version 4.1 SP3a will be reviewed at the next Commission meeting scheduled for July 30 – August 1, 2001.

¹ This document is a summary of the official minutes for the Florida Commission on Hurricane Loss Projection Methodology. The official minutes consist of the complete recorded transcript. The content of this summary has not been taken from the official transcript and should not be relied upon for any official purpose.

7. Review of E.W. Blanch – Model Catalyst[®] 4.031

A. The Commission began their review with the standards that had no change. The Commission found acceptable those standards with no changes (5.2.1, 5.2.2, 5.2.8, 5.3.4, 5.4.5, 5.4.6, 5.4.8, 5.4.9, 5.4.10, 5.4.11, and 5.4.16). The Commission found acceptable the standards with “not significant” changes voting by section (5.1.1, 5.1.3, 5.1.6, 5.2.5, 5.2.7, 5.2.9, 5.3.1, 5.3.2, 5.3.3, 5.3.5, 5.3.6, 5.4.2, 5.4.3, 5.4.14, 5.4.15, and 5.5.8). The Commission reviewed the standards with signification changes individually and all were found acceptable (5.1.2, 5.1.4, 5.1.5, 5.1.7, 5.1.8, 5.2.3, 5.2.4, 5.2.6, 5.3.7, 5.4.1, 5.4.4, 5.4.7, 5.4.12, 5.4.13, 5.5.1, 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, 5.5.7, 5.6.1, 5.6.2, 5.6.3, and 5.6.4).

B. The Catalyst[®] 4.031 model was found acceptable by the Commission.

8. Review of AIR – Atlantic Tropical Cyclone Model V3.2.0, Program: CLASIC/2 V1.02.0130

A. The Commission began their review with the standards that had no change. The Commission found acceptable those standards with no changes (5.2.1, 5.2.2, 5.2.8, 5.3.4, 5.4.5, 5.4.6, 5.4.8, 5.4.9, 5.4.10, 5.4.11, and 5.4.16). The Commission reviewed the standards with “not significant” changes except for the Vulnerability section which was postponed until John Pepper, Structural Engineer with the Professional Team, could be present. Standards 5.1.1, 5.1.3, 5.1.6, 5.2.5, 5.2.7, 5.2.9, 5.4.2, 5.4.3, 5.4.14, 5.4.15, and 5.5.8 were found acceptable (voting by section). The Commission reviewed the standards with signification changes individually and the following standards were found acceptable (5.1.2, 5.1.4, 5.1.5, 5.1.7, 5.1.8, 5.2.3, 5.2.4, 5.2.6, 5.4.1, 5.4.4, 5.4.7, 5.4.12, 5.4.13, 5.5.1, 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, and 5.5.7). The meeting was adjourned with the remaining standards to be reviewed Friday morning, May 11, 2001.

The Commission continued their review of the AIR Atlantic Tropical Cyclone model on May 11, 2001. Standards 5.3.1, 5.3.2, 5.3.3, and 5.3.6 were found acceptable (voting by section). Standards 5.3.5, 5.3.7, 5.6.1, 5.6.2, 5.6.3, and 5.6.4 were reviewed individually and found acceptable.

B. The Atlantic Tropical Cyclone Model V3.2.0, Program: CLASIC/2 V1.02.0130 was found acceptable by the Commission.

9. Rade Musulin, Florida Hurricane Catastrophe Fund Advisory Council Member gave an update on the Florida Legislative 2001 Session.

10. Review of Applied Research Associates (ARA) – HURLOSS Version 2.0

A. The Commission began their review with the standards that had no change. The Commission found acceptable those standards with no changes (5.2.1, 5.2.2, 5.2.8, 5.3.4, 5.4.5, 5.4.6, 5.4.8, 5.4.9, 5.4.10, 5.4.11, and 5.4.16). The Commission found acceptable the standards with “not significant” changes voting by section (5.1.1, 5.1.3, 5.1.6, 5.2.5, 5.2.7, 5.2.9, 5.3.1, 5.3.2, 5.3.3, 5.3.5, 5.3.6, 5.4.2, 5.4.3, 5.4.14, 5.4.15, and 5.5.8). The Commission reviewed the standards with signification changes individually and all were found acceptable (5.1.2, 5.1.4, 5.1.5, 5.1.7, 5.1.8, 5.2.3, 5.2.4, 5.2.6, 5.3.7, 5.4.1, 5.4.4, 5.4.7, 5.4.12, 5.4.13, 5.5.1, 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, 5.5.7, 5.6.1, 5.6.2, 5.6.3, and 5.6.4).

B. The HURLOSS Version 2.0 model was found acceptable by the Commission.

11. Calendars were reviewed for scheduling upcoming meetings. July 30 – August 1, 2001 were set to review the RMS model and to hold Committee meetings to revise and develop the 2001 Standards. September 19 & 20, 2001 were set to adopt the 2001 Standards and Report of Activities.

12. In planning for the 2001 Standards Dr. Gulati requested the Commission consider standards that would produce uniform outputs, and to think about the future of the Commission and model to model comparisons.

Commission members present: Kay Cleary, Sneh Gulati, Mark Homan, Larry Johnson, Jay Newman, Jack Nicholson, Jim O’Brien

Professional Team members present: Paul Fishwick, Mark Johnson, John Pepper (5/11/01 only), Peter Ray, Tom Schroeder, Marty Simons, Fred Stolaski