

Florida Commission on Hurricane Loss Projection Methodology

April 1, 2003
Meeting Summary¹

1. The Commission recognized and welcomed new Commissioner Sri Ramanujam, Actuary with the Office of Insurance Regulation, Department of Financial Services.
2. Dr. Shahid Hamid, Florida International University, provided the Commission with an update on the Public Hurricane Loss Projection Model project.
3. Mark Johnson, Professional Team Leader, discussed the upcoming activities of the Professional Team, the detailed pre-visit letter, and issues that needed addressing prior to the on-site reviews.
4. The Commission cited the following as deficiencies that required correction by April 11, 2003.

AIR Worldwide Corporation (AIR)

- a. Table 4 (page 40) – provide an explanation for the weighted average figure given for “Secondary Water Resistance” under “Roof Attached Structures.”
- b. Output Ranges – provide an explanation of the relationship between the loss costs for a \$2500 deductible for a personal residential renters frame and a 5% deductible for a personal residential renters frame.
- c. Output Ranges – provide an explanation for the name of model and version number given in the footnote.

Applied Research Associates (ARA)

- a. Provide a corrected submission text pdf file.
- b. Form F – provide an explanation for submitting identical Wind Speed output files for UAVT and UA Quantile 1 for Categories 1, 3, and 5.
- c. Form F – provide an explanation for the N-S coordinate increments.
- d. Module 3, Section IV, #11 – provide an explanation for “Company Supplied Data.”

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.

EQECAT (EQE)

- a. Form F – provide the missing input values for the quantile variable and indicate what the variable represents.
- b. Module 3, Section V, #8 – provide the required information or a written explanation as to why this information would not be presented to the Commission.
- c. Module 3, Section V, #9 – provide the required explanation of how the Expected Annual Hurricane Losses and Return Time were calculated.

Risk Management Solutions (RMS)

- a. Output Ranges pages 192-200.
5. The Commission approved the readiness for the on-site review by the Professional Team of previously accepted models – AIR, ARA, EQE, and RMS contingent upon their correction or explanation of the above noted deficiencies by April 11, 2003.

Commission Members Present: Dave Coursey, Elsie Crowell, Randy Dumm, Sneh Gulati, Mark Homan, Larry Johnson, Jay Newman, Jack Nicholson, Jim O'Brien, Sri Ramanujam, Matthew Green representing Craig Fugate

Commission Members Absent: Craig Fugate

Professional Team Members Present: Paul Fishwick, Mark Johnson, Tom Schroeder (via phone), Marty Simons, Fred Stolaski