



November 14, 2011

Scott Wallace, Chair  
Florida Commission on Hurricane Loss Projection Methodology  
c/o Donna Sirmons  
Florida State Board of Administration  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308

Re: AIR Atlantic Tropical Cyclone Model Version 12.0.1 as Implemented in CLASIC/2 Version 13.0.4

Dear Mr. Wallace:

The AIR Atlantic Tropical Cyclone Model v12.0.1 as implemented in our CLASIC/2 v13 software was certified by the Florida Commission on Hurricane Loss Projection Methodology (Commission) on June 16, 2011.

AIR has released an interim update to our CLASIC/2 software on November 8, 2011 to address a minor issue that may occur in unique circumstances for select clients using the AIR Earthquake Model for the United States, AIR Earthquake Model for Japan, AIR Earthquake Model for Southeast Asia, and AIR Earthquake Model for the Pan-European Region. We are not currently aware of any clients using this version for Florida rate filings, but it may occur in the future. This software update contains no change to the underlying Atlantic Tropical Cyclone Model v12.0.1 as submitted and accepted by the Commission and represents no change to modeled losses in Florida.

Our standard quality control procedure when updating minor software versions where the underlying U.S. hurricane model is not revised includes running the Output Range Report and verifying that there are no changes to losses. Through this testing, AIR has verified there are no revisions to the AIR Atlantic Tropical Cyclone Model and the Output Range Report remains unchanged. Results of this testing are included with this letter.

Though we are not aware of clients planning to make filings in Florida using CLASIC/2 v13.0.4, it could happen in the future. Not every client will need to install this version, but unless both versions are acceptable for rate filings, they will be forced to do so and bear the time and expense of upgrading and testing and re-running their analyses in the new version. AIR would therefore like to request that the Commission confirm that the Atlantic Tropical Cyclone model v12.0.1 as implemented in CLASIC/2 v13.0.4 is considered as certified under the 2009 Standards, and be provided the same status as Atlantic Tropical Cyclone Model v12.0.1 as implemented in CLASIC/2 v13 so that both versions of the software can be used by clients until the expiration date of CLASIC/2 v13.

Best regards,

A handwritten signature in blue ink that reads "Brandie Andrews".

Brandie Andrews, CCM  
Senior Risk Consultant

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