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Chair, Florida Commission on Hurricane Loss Projection Methodology
State Board of Administration
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308

Re: RMS North Atlantic Hurricane Model, RiskLink® 11.0.SP2, SP2a and SP2b

Dear Chair:

In accordance with the procedures outlined in Section IV.E: “Discovery of Errors and/or Changes to a Model after the Model has been Determined to be Acceptable by the Commission” on page 50 of the 2009 report of activities, RMS wishes to notify the Commission of the following revisions to the RMS North Atlantic Hurricane Model, RiskLink 11.0.SP1 model. There are three incidents that affect the software that have been revised in version 11.0.SP2.

In addition, RMS has also released two other updates to our model suite for other peril regions, which have no impact on the North Atlantic hurricane model. RMS is asking the commission to consider these two alternate versions as being equivalent to the version certified under the 2009 standards.

Patches contained in RiskLink 11.0.SP2 (Build 1411)

There were three resolved incidents related to the North Atlantic Hurricane model, although none of these incidents change loss costs in Florida as the attached regression results documentation shows.

1. The first incident resolved was related to the exposure data import process. The version 11.0.SP1 Model includes updated secondary modifier option codes. Codes used in previous releases to represent specific modifier options have been reorganized. As part of the exposure upgrade process, the codes for certain modifiers are revised and mapped to new codes.

During the exposure import process, on an intermittent basis, the software was mistakenly applying the secondary modifier mapping logic to imported locations, in a way that is similar to the exposure upgrade process. This can cause some imported secondary modifiers to differ from the original secondary modifiers in the source data. This issue impacts only the following secondary modifiers that have been updated for the version 11.0.SP1 Model and only those locations that actively use these specific modifiers.

- Construction Quality
 - Roof Covering
 - Roof Geometry
 - Roof Anchor
 - Commercial Appurtenance Structures (formerly External Ornamentation)
 - Residential Appurtenant Structures (formerly Architectural Elements)
 - Opening Protection (formerly Wind Resistance -- Windows)
 - Cladding Type
 - Roof Sheathing Attachment
 - Frame-Foundation Connection
 - Roof Equipment Hurricane Bracing (formerly Mech/Elec Equipment -- Roof)
2. In the second incident, users experienced increased run time when running North Atlantic Hurricane analyses at the same time as our Offshore Platform model. The software has been modified to eliminate unnecessary calculations, and restore expected performance levels.
 3. In the third incident, users experienced increased run time when running North Atlantic Hurricane analyses for all regions (e.g. U.S. + Caribbean + Canada) when Post Event Loss Amplification was included in the analysis. This issue did not affect U.S. only analyses. The software has been modified to eliminate unnecessary calculations, and restore expected performance levels.

These three fixes were included in RiskLink 11.0.SP2 (Build 1411), and supersede version 11.0.SP1 (Build 1411). The patch is recommended for all clients. We have included regression test results for Forms A-6, A-9 and S-5 that demonstrate that the loss costs produced by RiskLink 11.0.SP2 match those in our accepted submission document.

Equivalent Models – RiskLink 11.0.SP2a (Build 1411) and RiskLink 11.0.SP2b (Build 1411)

The RiskLink 11 release was planned in phases to allow clients to gain access to the hurricane model update before other peril-region models were ready to be released. RiskLink 11.0.SP2a and 11.0.SP2b are separate phases of the RiskLink 11.0 release that include installation files for our new China and Hong Kong Typhoon model (SP2a), and the installation files for our Europe Windstorm model in addition to the China and Hong Kong Typhoon model (SP2b). The release of these other peril-region models does not affect the North Atlantic Hurricane model. The

supporting documentation enclosed shows that the loss costs produced by SP2a and SP2b are identical to those produced by SP2.

As such, we ask the commission, pending consideration of RiskLink 11.0.SP2 above, to consider RiskLink 11.0.SP2a and RiskLink 11.0.SP2b to be acceptable under the 2009 Standards, which would allow clients to use any of the three releases for regulatory purposes in Florida.

Please do not hesitate to contact me if there are any questions. We thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Young". The signature is written in a cursive style with a large, sweeping initial "M".

Michael Young
Senior Director of Mitigation and Regulatory Affairs

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