



April 16, 2015

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

Re: Notification of Inaccuracy in Form S-4 in ARA Submission Dated April 29, 2013

Dear Chair:

In accordance with the procedures specified in Section V.VI.F on pages 57-59 of the November 1, 2013 Report of Activities (ROA), Applied Research Associates, Inc. (ARA) wishes to notify the Commission of an inaccuracy in our HurLoss 6.0.a submission dated April 29, 2013, which was found acceptable by the Commission in June 2013 under the 2011 FCHLPM Standards.

On April 13, 2015, ARA discovered an inaccuracy in Form S-4, Part A, Comparison 5 on page 220 of our submission dated April 29, 2013. The "Modeled Loss/Exposure" for the "A-Andrew Renter" row should have been reported as 0.0322 instead of 0.0947, and the "Difference" should have been reported as 0.0014 instead of 0.0639. The cause of the inaccuracy was a human error in transcribing the results from our HurLoss 6.0.a model output to our Form S-4 spreadsheet. The corrected versions of the table on page 220 and the corresponding plot in the lower left portion of Figure 59 on page 222 of our April 29, 2013 submission are provided in Attachment 1.

The inaccuracy in Form S-4, Part A, Comparison 5 was the result of a report preparation error, rather than an error in the model itself, and the scope of the error is limited to one row in Comparison 5 in Form S-4. There is no impact on any ZIP Code loss costs or probable maximum loss levels for any return period. Therefore, ARA has concluded that the error is a Type I difference, as defined in Section V.VI.F of the 2013 ROA.

Thank you for the opportunity to address this issue. If you have any questions about this issue, please contact me by phone at (919) 582-3350 or by e-mail at flavelle@ara.com.

Sincerely,

A handwritten signature in black ink that reads "Francis M. Lavelle".

Francis M. Lavelle, Ph.D., P.E.
Vice President and Principal Engineer

Attachment 1: Corrected Form S-4, Part A, Comparison 5 for HurLoss 6.0.a submission dated April 29, 2013 made by ARA under the 2011 FCHLPM Standards

Comparison Number 5 - Hurricanes Andrew and Bonnie			
Total Losses by Line of Business			
Company - Storm - LoB	Company Actual	Modeled	Difference
	Loss/Exposure	Loss/Exposure	
A-Andrew Homeowner	0.2024	0.1391	-0.0633
A-Andrew Renter	0.0308	0.0322	0.0014
A-Andrew Condominium	0.0251	0.0200	-0.0051
A-Bonnie Mobile Home	0.0004	0.0007	0.0003

