

Florida Commission on Hurricane Loss Projection Methodology

December 13, 2016

Meeting Summary¹

1. Lori Medders, Commission Chair, welcomed new Commission member Anne Bert, Florida Hurricane Catastrophe Fund Chief Operating Officer.
2. The Commission reviewed Applied Research Associates, Inc. (ARA) error corrections and revisions in HurLoss version 7.0.b under the 2013 General Standards (G1, G2, G3, G4, G5), Meteorological Standards (M1, M2, M3, M4, M5, M6), Statistical Standards (S1, S2, S3, S4, S5, S6), Vulnerability Standards (V1, V2, V3), Actuarial Standards (A1, A2, A3, A4, A5, A6), and Computer Standards (C1, C2, C3, C4, C5, C6, C7). The Commission found HurLoss 7.0.b acceptable under the 2013 Standards. The acceptability of HurLoss 7.0.b supersedes the previously accepted and suspended model version HurLoss 7.0.a.
3. The Commission discussed the following model submissions received by November 1, 2016 under the standards and acceptability process for 2015.
 - AIR Worldwide Corporation (AIR) – AIR Hurricane Model for the U.S., V16.0.0, Touchstone[®] V4.1.0
 - Applied Research Associates, Inc. (ARA) – HurLoss Florida Model Version 8.0.a
 - CoreLogic, Inc. – CoreLogic Florida Hurricane Model 2017, Risk Quantification and Engineering
 - Florida International University (FIU) – Florida Public Hurricane Loss Model V6.2
 - Risk Management Solutions, Inc. (RMS) – North Atlantic Hurricane Models, RiskLink 17.0 (Build 1825)

The Commission identified and discussed deficiencies in the submissions and voted to continue the review process with the Professional Team on-site reviews after correction of the identified deficiencies by January 4, 2017.

4. The Commission discussed issues relating to the Florida Building Code requirement for reinforced masonry and the September 28, 2016, letter from Insurance Commissioner David Altmaier requesting the Commission address several issues related to Monroe County. Representatives from Fair Insurance Rates in Monroe (FIRM) addressed the Commission with their concerns. The Commission identified four inquiries that the Professional Team will investigate during the on-site reviews with all modeling organizations.
 - Investigate the condo-unit floor location impact on loss costs. How is lack of floor location treated?

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.

- Investigate aspects of the model and inputs that could lead to the greatest reduction in the uncertainty in model outputs (e.g., hurricane frequency, damage functions, incorrect data input, granularity of exposure location (ZIP Code centroid versus street address) data input).
- Investigate how contamination of claims data (flood loss counted as wind loss) impacts validation and model output.
- Investigate how the treatment of inland versus coastal exposures has an effect on the spatial evaluation of vulnerability functions.

5. The Commission approved member requests to attend on-site visits.

Commission Members Present: Anne Bert, Patty Born, Barry Gilway (by phone), Sha`Ron James, Bob Lee, Minchong Mao, Lori Medders, Hugh Willoughby (by phone), Floyd Yager (by phone), Miles Anderson for Bryan Koon

Commission Members Absent: Bryan Koon, Jai Navlakha

Professional Team Members Present: Jenni Evans (by phone), Paul Fishwick (by phone), Mark Johnson, Mike Smith, Masoud Zadeh (by phone)