

Florida Commission on Hurricane Loss Projection Methodology

May 10-12, 2017

Meeting Summary¹

May 10, 2017

1. The Commission's review of the AIR Worldwide Corporation, AIR Hurricane Model for the U.S. Version 16.0.0 as Implemented in Touchstone Version 4.1.0 began with an overview of the model, followed by a closed session for discussion of trade secrets used in the design and construction of the model.

During the open session, the Commission reviewed the AIR Worldwide Corporation, AIR Hurricane Model for the U.S. Version 16.0.0 as Implemented in Touchstone Version 4.1.0 under the 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/Information Standards (CI1, CI2, CI3, CI4, CI5, CI6, CI7). The Commission found the AIR Hurricane Model for the U.S. Version 16.0.0 as Implemented in Touchstone Version 4.1.0 acceptable under the 2015 Standards.

2. The Commission reviewed the Florida Public Hurricane Loss Model Version 6.2 under the 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/Information Standards (CI1, CI2, CI3, CI4, CI5, CI6, CI7). The Commission found the Florida Public Hurricane Loss Model Version 6.2 acceptable under the 2015 Standards.

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

Commission Members Absent: Patty Born, Bryan Koon, Jai Navlakha

Professional Team Members Present: Jenni Evans, Paul Fishwick, Mark Johnson, Stuart Mathewson, Michael Smith, Masoud Zadeh

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 Meeting Summary has not been taken from the official transcript and should not be relied upon for any official purpose. The official transcript is available upon request from the Florida Commission on Hurricane Loss Projection Methodology.

May 11, 2017

3. The Commission's review of the Applied Research Associates, HurLoss Florida Model Version 8.0.a began with an overview of the model, followed by a closed session for discussion of trade secrets used in the design and construction of the model.

During the open session, the Commission reviewed the Applied Research Associates, HurLoss Florida Model Version 8.0.a under the 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/Information Standards (CI1, CI2, CI3, CI4, CI5, CI6, CI7). The Commission found the Applied Research Associates, HurLoss Florida Model Version 8.0.a acceptable under the 2015 Standards.

4. The Commission's review of the CoreLogic Florida Hurricane Model 2017a began with an overview of the model, followed by a closed session for discussion of trade secrets used in the design and construction of the model.

During the open session, the Commission reviewed the CoreLogic Florida Hurricane Model 2017a under the 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/Information Standards (CI1, CI2, CI3, CI4, CI5, CI6, CI7). The Commission found the CoreLogic Florida Hurricane Model 2017a acceptable under the 2015 Standards.

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

Commission Members Absent: Patty Born, Bryan Koon, Jai Navlakha

Professional Team Members Present: Jenni Evans, Paul Fishwick, Mark Johnson, Michael Smith, Masoud Zadeh

May 12, 2017

5. The Commission's review of the Risk Management Solutions, Inc., North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) began with an overview of the model, followed by a closed session for discussion of trade secrets used in the design and construction of the model.

During the open session, the Commission reviewed the Risk Management Solutions, Inc., North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) under the 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/Information Standards (CI1, CI2, CI3,

CI4, CI5, CI6, CI7). The Commission found the Risk Management Solutions, Inc., North Atlantic Hurricane Models RiskLink 17.0 (Build 1825) acceptable under the 2015 Standards.

6. During the closed sessions of each model review, the Commission discussed in depth with the modeling organizations their modeled loss cost results for Monroe County and the primary drivers relating to the significant differences relative to loss costs in the rest of the state, with particular emphasis on Miami-Dade and Broward counties. To the extent possible, the Monroe County loss costs discussions were repeated during the open sessions.

Based upon the Monroe County discussions, Chair Lori Medders will draft response letters to Insurance Commissioner David Altmaier and Fair Insurance Rates in Monroe (FIRM) for the Commission's review and discussion at the May 22 & 23, 2017 meetings.

7. Leonard Schulte, FHCF Director of Legal Analysis & Risk Evaluation, discussed the requirement for Commission members to file financial disclosure statements with the Florida Commission on Ethics.

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

Commission Members Absent: Patty Born, Bryan Koon, Jai Navlakha

Professional Team Members Present: Jenni Evans, Paul Fishwick, Mark Johnson, Michael Smith, Masoud Zadeh