

March 14, 2017
Lorilee Medders
Chair, Florida Commission on Hurricane Loss Projection Methodology

We discovered the following errors in the document pertaining to the submission of the v6.1 FPHLM. Please note these are not errors with the model or how loss costs are reported for model runs, but concern only the way the mentioned forms were populated and the graphs were included.

The first error was in the January 22, 2015 corrections we sent for form A4B pertaining to the submission of the v6.1 FPHLM. The error is in the column for mobile homes and commercial residential. In the mobile home column, while the high and low county wide loss costs were reported correctly and the zip code level loss costs were correct, the county weighted average were calculated incorrectly. Similarly, in the commercial residential column for three counties (Broward, Clay, and Collier) the weighted average loss costs were incorrect after the third decimal point (the printed version figures with 3 decimal points did not show this). This was the first time the 2012 Cat Fund exposure data was handled and the 2012 county weights calculated. The incorrect weights were produced using ad hoc SQL queries that were not preserved since this is done only once when the exposure data changes, which happens very rarely. To avoid this in the future, we have compiled these queries into an SQL function and stored them alongside the 2012 FHCF data. This function will serve as a reference for what was done and as a starting point when new data is available. Attached is the corrected form A4B. None of the logical relationships have changed. The form A4A did not have the error. Please note that there was no form A5 for A4B in that year since 2012 Cat Fund exposures were used for the first time.

The second error pertains to figures 53-54 and 62-63 in the standard V1 in v6.1 submission. In a submission document some of the text and graphs or tables may be copied from the previous submission document if there are no changes to the response to a disclosure. The error occurred when the graphs were also copied from the previous submission. These figures were not updated from the previous submission. In the future it will be the policy to assign a person, separate from the domain expert for the standard, to cross check and verify that figures and tables have been correctly included in the submission document. The corrected figures are attached.

The third error pertains to form V3 in the v6.1 submission. The error is in the last column of form V3 for 1 minute sustained winds. While the mitigation mean damage ratios at various wind speeds are correct, the loss costs across all wind speeds are incorrect. The loss cost were a new requirements in that submission cycle. Please note that in the electronic version for V3 the mean damage ratio and loss cost were also provided for the 3-second winds and they were all correct. The error was that the 1-minute sustained winds were incorrectly used to index the vulnerability matrices as if they were 3-second gusts. This is the only form for which 1 minute wind results are required. In the future a separate person will be assigned to cross check and verify that the forms are consistent and that the output used directly by the domain expert to generate the forms are consistent with the forms submitted by the domain experts. Attached is the corrected form V3 for the 1 minute sustained winds.

Sincerely,

Dr. Shahid Hamid
PI, Florida Public Hurricane Loss Model Project