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December 21, 2017

Floyd Yager, Chair  
Florida Commission on Hurricane Loss Projection Methodology  
c/o Donna Sirmons  
Florida State Board of Administration  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, FL 32308

Re: Addendum to RiskLink 17.0 (Build 1825) Submission.

Dear Mr. Yager:

On August 15, 2017, RMS submitted an updated model, RiskLink 17.0.1 (Build 1825), for the Commission's consideration under conditions of a Type I error; however, as forms in the submission (as demonstrated), as well as extensive internal testing, show no difference in Florida model results, RMS requests functional equivalency of RiskLink 17.0.1 with RiskLink 17.0.

RMS addressed the following items in RiskLink 17.0.1 (Build 1825).

- The "Bermuda-style roof" option of the Roof Covering secondary modifier erroneously had no impact on modeled losses in RiskLink 17.0 (Build 1825). This issue has been resolved in RiskLink 17.0.1 (Build 1825) and does not impact modeled loss costs or probable maximum losses in any forms, as this roof type does not exist in the 2012 FCHF exposure data. RMS modelers have only seen this specific roof covering in the Caribbean; this option exists in the U.S. model for consistency across all modeled regions.
- Exceedance Probability analyses on the same exposure may sporadically generate inconsistent results in RiskLink 17.0 (Build 1825), limited to situations where exposures are not associated with a windstorm policy. This item has been resolved and does not impact modeled loss costs or probable maximum losses in any forms, as analyses performed during the FCHLPM submission process always contain windstorm policies.
- The Ground-Level Equipment secondary modifier has no impact on losses in RiskLink 17.0 (Build 1825). This secondary modifier only impacts storm surge-related losses; therefore, wind-related losses are unaffected with the resolution of this issue.
- RMS provides its clients with two variants of North Atlantic Hurricane Models historic events: "stochastic" variants, included within the model's stochastic event set, and "historical" variants, which can be analyzed in a single analysis. Historical and stochastic variants of certain historic events did not have matching losses in RiskLink 17.0 (Build 1825); however, a detailed comparison of Form A-2 confirms that resolution of this item does not change Florida historical event losses.

In accordance with the Process for Determining the Acceptability of a Computer Simulation Model, Section VI.F, (**Discovery of Differences in a Model after a Model has been**

**Determined to be Acceptable by the Commission)** in the November 1, 2015 Report of Activities, RMS prepared the following forms for the Commission's review.

- Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code)
- Form A-4 (Output Ranges, 2012 FHCF Exposure Data)
- Form A-8 (Probable Maximum Loss for Florida)
- Form S-5 (Average Annual Statewide Loss Costs – Historical versus Modeled)

In addition, revised Appendices E and F are also enclosed, which show RiskLink 17.0.1 (indicating the revised version) on relevant screens and reports.

Thank you for your consideration.

Sincerely,



Tom Sabbatelli

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**Enclosures:** Appendices E and F.

