



January 4, 2019

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, Florida 32308

Re: AIR Hurricane Model for the United States Version 16.1.0 as Implemented in Touchstone 5.1.8 and Touchstone 6.0.4

Dear Mr. Yager,

Thank you for your time. In this letter, we will refer to the Commission as “you” and “your” and to AIR as “we and “us” and “our”.

AIR has recently released two updates to the software platform, Touchstone 5.1.8 and Touchstone Version 6.0.4. Both 5.1.8 and 6.0.4 contain the AIR Hurricane Model for the United States (the U.S. Hurricane Model) Version 16.1.0, which is the accepted model version implemented in 4.1.0. The interim software update has not made any changes to the U.S. Hurricane Model nor resulted in any changes to the Florida hurricane wind loss costs or probable maximum loss (PML) levels. Please note that the updates contained in 5.1.8 and 6.0.4 are identical. AIR has released the same updates in two versions of Touchstone to better support our wide range of clients, who can be on either major versions, i.e. version 5 and 6 of Touchstone, depending on their analytical requirements. Prior updates including enhancements included in the major version updates have been reviewed and found acceptable by the Commission.

Since the U.S. Hurricane Model has not been affected by the updates, AIR would like to submit the AIR Hurricane Model for the United States Version 16.1.0 as Implemented in Touchstone 5.1.8 and Touchstone Version 6.0.4 under Report of Activities, Section VI.G as Interim Software Updates.

## Interim Software Update

As required, we have included a list of the updates that have been incorporated into Versions 5.1.8 and 6.0.4:

- Enhancement to the Software's Security Protocol - As part of AIR's ongoing commitment to evaluating and improving security and privacy controls, AIR has updated password controls for the Touchstone application. The additional protocol only aims to update the internal password used by the Touchstone application when the application needs to communicate with the SQL Server for task executions such as data fetching in the back end. The update is internal to Touchstone and would be seamless to the users. Most importantly, this update would not result in any changes in other software components as well as the structure of the software.

- Updates to the AIR US Earthquake Model – This is an update to the hazard component of the US Earthquake Model.

In accordance with the 2017 Report of Activities, Section VI.G, we have prepared the following forms with results from the currently acceptable version, 4.1.0 and the updated versions, 5.1.8 & 6.0.4, as well as a percentage change that demonstrates no change for the Commission's review:

- Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code)
- Form A-4 (Output Ranges)
- Form A-8 (Probable Maximum Loss for Florida)
- Form S-5 (Average Annual Zero Deductible Statewide Loss Costs – Historical versus Modeled)
- Form V-2 (Hurricane Mitigation Measures and Secondary Characteristics, Range of Changes in Damage)

AIR would like to submit and request the review of Touchstone 5.1.8 and Touchstone 6.0.4 under the Report of Activities, Section VI.G., for considerations of an interim software update. We ask that the Commission confirm that the AIR Hurricane Model for the United States v16.1.0 as implemented in Touchstone 5.1.8 and Touchstone 6.0.4 is considered as acceptable under the 2015 standards.

Let me know if you have any questions or concerns.

Best regards,



Brandie Andrews, CEEM  
Vice President, Regulatory and Rating Agency Client Services

